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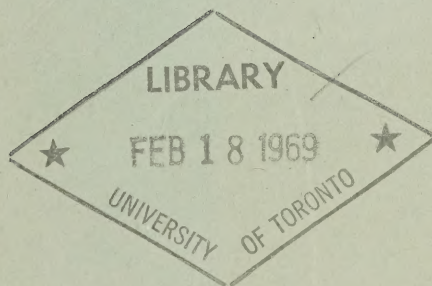
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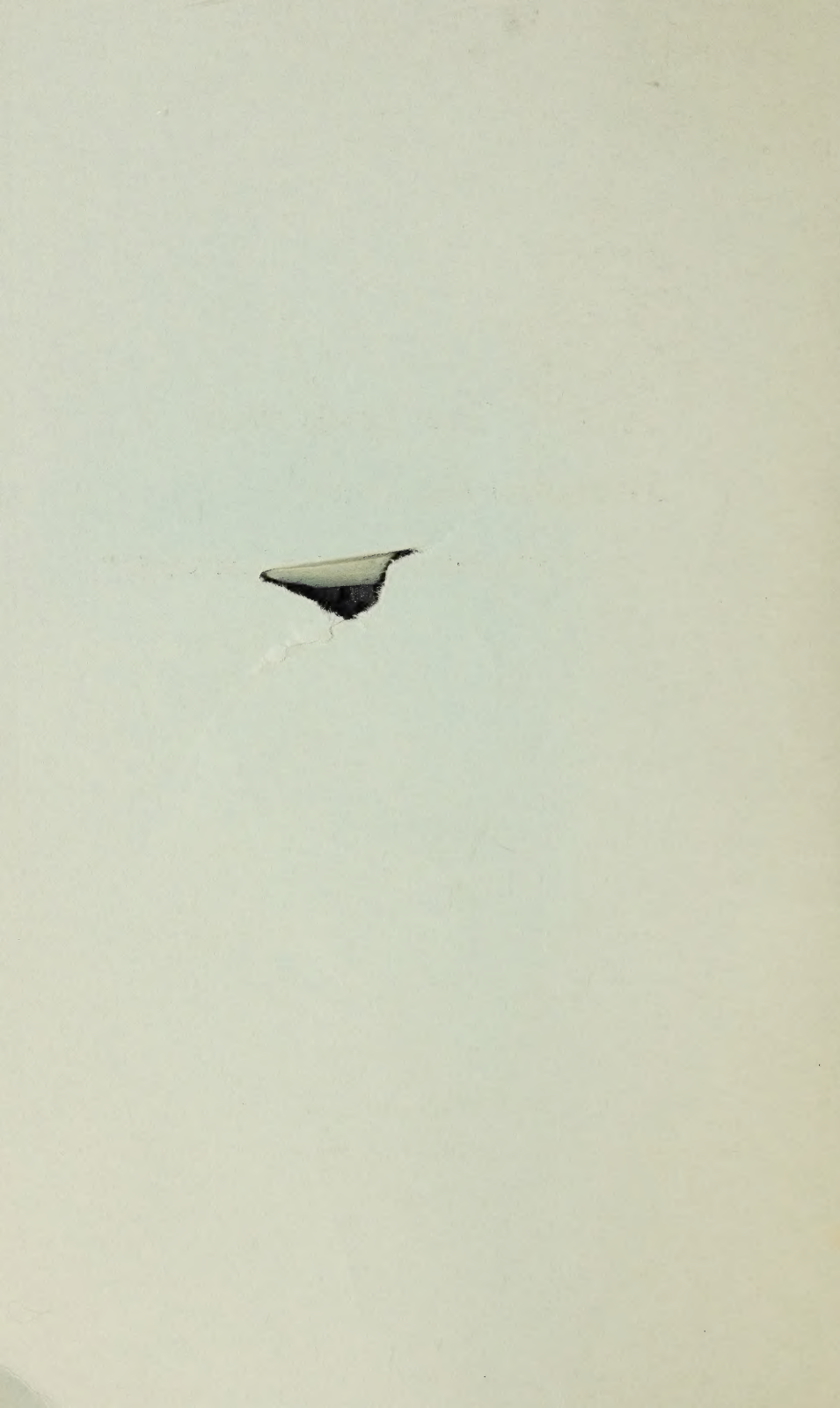
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# **The Analysis of Organization in the Government of Canada**



*A Manual Prepared by the*  
**Organization Division of the Civil Service Commission**  
*April 1964*





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## PREFACE

The Civil Service Commission has been involved with the organization of departments and agencies of government since the Civil Service Act of 1918. The new statute which took effect in April 1962 continued this direct concern of the Civil Service Commission, but with a change from a quasi-control posture to one of leadership and advice.

In anticipation of this change, the Commission formed an Organization Division in its Advisory Services Branch at the end of 1960, whose role was to conduct organization and machinery of government surveys of departments and agencies at the request of deputy heads or at the request of the Governor-in-Council. An information pamphlet was prepared towards the end of 1961, entitled "Organization Review and Analysis", which was distributed to heads of departments and agencies. It is reproduced herein as Appendix A.

Organization surveys comprise a systematic analysis of the structure of a department or agency in terms of the division and grouping of functions, the allocation and exercise of authority, the internal and external relationships, and the provision for planning, control and co-ordination. The definition of organization which is pertinent in the analyses which are made by the division is that organization is the harmonious inter-relationship of functions and personnel directed towards the efficient attainment of clearly established objectives.

Further and related responsibilities of the division include the conduct of research studies into common problems of organization, and participation in government-wide staff development and training programmes. In respect to these responsibilities, in particular, there developed a need for the division to produce an organization manual for the information and guidance of those senior officers of departments and agencies who are most closely concerned with major organizational questions, as well as for a possibly wider audience with an interest in government organization.

This Manual has, therefore, been prepared to meet this purpose. It is designed to define, and to enhance understanding of, some of the organization problems which are peculiar to government operations. In certain sections of the Manual (particularly in Chapters 2 and 3) comment is offered on the organ-

izational relationships between the executive and the administration and this has been done to provoke thought on the unique organizational problems inherent in the system under which the public service must operate. These chapters of the manual attempt so to describe the situation that interest may be stimulated in seeking solutions for machinery of government problems within the context of good organization practices.

In the composition of the Manual, a deliberate attempt has been made to achieve conciseness without sacrificing completeness and clarity. These three essential qualities, however, are elusive and any proposals for improvements in the Manual in future revisions should be submitted to the Chief of the Organization Division of the Civil Service Commission.



## Chapter 1

# PRINCIPLES OF ORGANIZATION

### Introduction

1. There are three main approaches to organization theory, and although they are often called schools of thought for purposes of classification, they are not mutually exclusive and only indicate which part of organization theory is given the greatest stress by particular theorists. The *traditional school* judges organization according to a number of well-defined principles, such as unity of command, span of control, line and staff, and so on. This school tends to regard organization as a technical problem to be solved on a rational basis. The *behavioural school* puts greater stress on the emotional aspects of behaviour in an organization: its focal centre is MAN and it attempts to develop the organization as a social unit with due consideration of individual and group feelings, perceptions, motivations, pressures, interactions, and so on. The *decisional school* aims at encouraging the flow of information and fostering appropriate decisions under competitive conditions. Its adherents tend to be "computer-minded" and concentrate on such elements as information, objectives, strategies, probabilities and consequences, power, et cetera. No attempt has been made to deal in particular or at length with the body of theory underlying each of these three schools of thought. Such theory is readily available in published texts, however, and a selected and annotated bibliography has been included as Appendix B, for purposes of reference.

### Structural Principles

2. Every agency of government has an organization structure, consisting of a number of positions grouped into units and inter-related in a more or less formal manner. The structure is normally depicted by a chart which shows positions or units as boxes and joins them together with lines which reflect superior-subordinate relationships. The Queen's Printer's annual publication, "Organization of the Government of Canada", contains the organization charts and functional descriptions of all federal departments and agencies. Similar charts and descriptions, but in greater detail, are also maintained in the Organization Division

of the Civil Service Commission for departments and agencies subject to the Civil Service Act.

3. There are certain fundamentals which are believed to govern organization structures. They are the "principles" or "rules" of structural theory and although they are often taken for granted, it would be useful to review them briefly. It can be argued:

- (a) that each employee must be accountable to someone for his work performance (scalar principle);
- (b) that an employee should be accountable to only one person (unity of command);
- (c) that work must be divided among employees in a rational way so that they can specialize and become proficient in particular tasks (division of work);
- (d) that authority to act must be delegated so that employees can do their work without having to secure specific approval for each action taken (delegation of authority and commensurate responsibility);
- (e) that there is a limit, which varies according to circumstances, to the number of employees who can report to one individual (span of control);
- (f) that the structure should provide for the smallest possible number of levels of authority, to ensure effective vertical communication (restriction of authority levels).

4. The detection of the presence or absence of these basic elements in an organization chart provides merely a superficial view of the organization and its problems. The description of man as a creature with two arms, two legs and a head, though true, would neither assist a law officer in identifying an individual nor a doctor in diagnosing an ailment.

5. What is more significant than the recognition of the principles in a chart is their practical, yet flexible application in the day-to-day relationships of the people who compose the structure of an organization.

6. The scalar principle recognizes that where there is a line of authority (or chain of command) there is a superior and a subordinate, and that in each organization structure there is an uninterrupted scale or series of steps from the top of the organization to every position in it. What is important to learn is the kind of supervision exercised at each step of the scale. Is it close supervision with frequent direction and consultation? Or is it supervision in name only, with the subordinate seeing or communicating with his line superior only at infrequent

intervals? Only when the nature of the supervision is known will it be possible to judge its appropriateness in a particular situation.

7. The principle of unity of command is sound but its application must be tempered to the situation. A professional officer in a large field office may be the direct subordinate of a regional administrator, but the policies he administers and the procedures he follows may well be prescribed and enforced by the chief professional officer at headquarters. Thus, the freedom of a regional administrator to command his subordinates will often be severely restricted in areas where headquarters specialists have developed detailed policies and procedures. Unity of command is therefore modified by the existence of functional authority and it is neither uncommon nor irregular to find field officers subject to some measure of dual direction. The extent to which unity of command has been modified and the significance of the modification in terms of overall efficiency are important matters for examination.

8. Work must be divided in a rational way if the advantages of specialization are to be realized: this is the principle of the division of work. But recognition of the principle does not reveal what the most efficient division should be. There are many theoretical considerations in the application of the principle and the right mixture for a given situation must be sought. Division by simple numbers is used in a labour gang ("You ten men dig this ditch and you ten men dig that ditch"): a number of undifferentiated persons are being directed. Division by enterprise function is a widely-accepted practice, perhaps the most widely accepted of all: employees are divided into branches according to the function performed; for example, in the Department of Public Works there are such branches as Building Construction, Harbours and Rivers Engineering and Property and Building Management. There is often some division of work by territory, with activities grouped by region, area or district. These groupings must be identified and the reasons for their existence in that particular form ascertained. There can be division by customer; the service being provided to Indians, for instance, is quite separate from that provided for immigrants. Having learned the principles which underlie the division of work in a particular agency, it then becomes possible to assess their relevance to the agency's needs.

9. Authority must be delegated if an agency is to function at all; obviously all the decisions cannot be made by one person. The entire process of delegation consists of the assignment of tasks, the delegation of authority necessary to carry them out, and the exaction of responsibility for their ac-



complishment. These three elements should not be split. It is important to ensure that employees have specific assignments of duties, that they have the authority to carry them out, and that they are being held accountable for the results of their actions. An employee cannot be held responsible for activities over which he has no authority and he must be held responsible for those over which he has authority.

10. The application of the principle of the limitation of the span of control may cause the creation of numerous levels of authority in an organization structure. Too many levels can cause problems just as serious as those created by excessive spans. What is required, of course, is an optimum balance of spans and levels in a given situation. It is important to remember that if too many people answer to one superior they may be getting insufficient direction. If, however, in order to solve this problem, intermediate levels are introduced that lengthen unduly the line of communication between the bottom and the top of the structure, it may take too long to get action on problems referred upward. The actual situation, then, must be examined relative to problems created by the inappropriate application of span-limitation principles.

11. The traditional principles of structural organization provide broad standards for planning or evaluating the working relationships between people, but they do not provide hard and fast rules. The principles must be applied with common sense and be fitted to the circumstances of the situation.

12. Appendix C to this Manual provides brief comment and illustration on the techniques of compiling organization charts, and includes discussion of the value, the limitations and the varieties of charting.

## **Human Relations Principles**

13. The operations of any agency must be carried out within a structure of people and authority relationships; there must be superiors and subordinates, delegation of authority, division of work, and so on. In recent years, there has been considerable research and subsequent ferment in defining the kinds of human relationships in an enterprise that are most likely to get work done well. The traditional, authoritarian feature of superior-subordinate relations, particularly as evidenced by unilateral decision-making and order-giving, has been subjected to considerable criticism.

14. It is becoming more and more apparent as research findings accumulate and are analyzed, that manpower cannot be treated as just one more economic resource, a chattel to be



moulded and manipulated in the same way as other resources, such as money, machines, material and methods. It is being emphasized that workers are unique individuals motivated by complex interactions of hopes and fears and that any enterprise that fails to provide some behavioural freedom for realizing the hopes and allaying the fears is suffering a substantial loss in overall efficiency.

15. The search for better answers does not pre-suppose the abdication of all authority and the abolition of all unilateral decision-making; this would result in organizational anarchy. What is needed, however, is a means of creating loyalty, initiative and enthusiasm in employees on the basis that effective motivation can be the most important single factor in improving the performance of an enterprise.

16. Research suggests that the thread that holds a sound human organization together is "participation". We read, therefore, of "participative decision-making", "participative leadership", and so on. The debatable area is concerned with what mixture of authoritarianism and participation best satisfies both enterprise and employee needs.

17. The approach to be avoided is that of "bogus participation", that is, the method by which all the forms of participation are used (such as meetings, committees, suggestion award systems) but with the purpose of directing employees into channels of thinking and toward decisions that have been pre-determined. It is reported that this kind of manipulation will normally engender more ill-will on the part of the participants than the authoritarian approach. It is further reported that many managers, who have had a smattering of human relations training, have adopted the forms while remaining oblivious to the intent and purpose for which they should be used.

18. The principles of human organization which have evolved from research by behavioural scientists and which, it is argued, a manager must recognize, and by which he should govern his actions, are:

- (a) that each employee is a unique individual;
- (b) that an employee needs an adequate sense of security in relation to his superiors; he cannot work efficiently in a threatening atmosphere;
- (c) that an employee needs opportunities to participate in the solution of problems and in the discussion of actions which affect him;

- (d) that an employee must be given the opportunity to accept responsibility as he becomes ready for it;
- (e) that an employee needs the right of appeal over the head of his immediate superior.

19. These simple precepts or conditions are considered to be minimal and upon their fulfilment in some degree rests the success or failure of the superior-subordinate relationship at every level of the organization.

20. A formal plan to meet the need for positive and direct participation among levels and segments of the organization is embodied in Rensis Likert's postulates of group action.<sup>1</sup> The gist of the plan is that each supervisor or manager in an organization structure be considered, and consider himself, as part of two groups. As a superior, he is part of a group made up of his first level subordinates. As a subordinate, he is part of a group made up of his immediate superior and of his peers. Each group is not merely a figurative description of relationships but a real and concrete arrangement for decision-making and communicating. It is contended that this approach may reduce the gap between the structural and abstract principles of organization and the human principles of organization.

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<sup>1</sup> *New Patterns of Management*, Rensis Likert; McGraw-Hill, 1961.

## Chapter 2

# THE MACHINERY OF GOVERNMENT

### Constitutional and Political Factors

21. The Canadian people are the ultimate source of political power, but jurisdiction over government activities is divided in the British North America Act between the federal government and the provincial governments. At the federal level the political power of the people is delegated by them to their elected representatives in the House of Commons, and to the appointed representatives in the Senate. In practice, effective legislative power is usually held by the largest party in the House of Commons and this party, in turn, puts executive authority into the hands of a group of its members, the Cabinet, led by the Prime Minister.

22. Within the Cabinet there are a number of standing committees, one of which, the Treasury Board, provides a further pronounced authority level. Finally, executive authority over individual agencies or departments is divided among the ministers who form the Cabinet. Delegations and divisions of authority have therefore been made at several constitutional and political levels before the level of the senior appointed official is reached.

23. The minister is the linking-pin between legislative and executive authorities on the one hand and administrative authority on the other. No substantial alteration can be made in an agency's structure without the minister's consent; normally, such changes require his whole-hearted support. If this support is to be forthcoming, due weight must be given, in reviewing an agency's organization structure, to the minister's role at constitutional and political levels. The design of the structure must be in harmony with the demands inherent in this role.

24. Specifically, an organization plan should, whenever relevant:

- (a) recognize the division of powers between the federal and provincial governments; in sensitive areas of jurisdiction even the appearance of federal overlapping into provincial fields must be avoided unless government policy on the subject is clear;

- (b) recognize that the government exists to serve the people; recommendations that are administratively sound must also be acceptable to the segment of the population the agency has been set up to serve. In field organizations, in particular, it is sometimes necessary to modify organization principles to meet such a situation and to provide for local requirements;
- (c) recognize that the minister concerned is one member of the Cabinet and that the functions of the agency, including the funds necessary for carrying them out, are often subject to balancing mechanisms within the Cabinet which supersede purely administrative considerations. Recommendations which propose the extension of an agency's functions into areas where other agencies have an interest, for instance, should be made only after the most careful exploration with the agencies concerned.

## **Statutes and Administrative Functions**

25. If conditions were perfectly static and Parliament could provide in its laws for all possible eventualities, the terms of reference of any public administrator could be readily ascertained by consulting the statutes. However, because of the lack of precision in the statutes and because of changes in the social, political and physical characteristics of the country, situations arise constantly where the original intent of Parliament has to be interpreted more broadly or more narrowly, and the interpretation has to be related to the changed environment. The onus rests on the judiciary to ensure that the interpretations conform to the original intent, and upon Parliament to review and adapt its legislation to changing conditions.

26. While a law remains in force, and subject to the effect of clear, legal precedents, the administrator must adjust and direct the organization and resources under his direction towards the attainment of specific objectives. This he must do within the web of financial and other controls, and under the policy direction of the government, as expressed through his Minister who, in turn, must discharge a broad responsibility to Parliament.

27. The pursuit of specific objectives should be reflected in the functions of every organization, both in terms of its total operations, and in the activities of each of its components and sub-components down to the last individual.

28. No matter how broadly or narrowly the objectives are set forth in acts and regulations, they should be stated, they should be clear, and they should be traceable to the statutes.



29. In organization planning, it is vital to relate the objectives and functions for the following reasons:

- (a) To assess the permanency and/or the changing nature of a function. For example, the payment of a statutory allowance, such as family allowances, is a more permanent function than the payment of a grant due to a particular catastrophe; similarly, the function of payment of family allowances has changed less than the collection of income tax, which is changed or adjusted almost year-by-year. Differences in permanency or stability should be reflected in the organization.
- (b) To identify and classify main functions and sub-functions separately from support or ancillary functions, and to appreciate the relative significance of the support or ancillary functions in different contexts. A simple example is Purchasing which is the *main* function in the Department of Defence Production, a *major support* function in the Department of Public Works, and a *minor* function in the Civil Service Commission.
- (c) To determine the relationships between functions. For example, the need to group or co-ordinate certain functions may be directly implied in statutes which set one function conditional upon or sequential to another.
- (d) To appreciate the need for and the role of functions which are primarily related to policy formation rather than administration.

30. The participation of senior administrators in the formation of policy and the preparation of legislation is an accepted fact in modern government administration. In this role, the administrator can contribute purposefully only if he is fully and constantly aware of the relationships between the functions pursued by his organization and their legal basis, and is willing to strive constantly for the clarification in law of implied functions.

### **The Distribution of Functions among Departments and Agencies**

31. The term "machinery of government" is commonly used to describe organization which is inter-agency as opposed to intra-agency. The aim is to achieve the best allocation of functions among agencies and to devise the appropriate mechanisms for co-ordinating functions of concern to two or more agencies.

32. Decisions as to how functions will be allocated to agencies are made by Cabinet. In deciding how functions will be grouped, or divided, the principles of basic organization (i.e., grouping functions with a common purpose, process, geographical area, or clientele) are taken into account. Even if only these principles were considered, the division of functions among agencies would not be easy and questions would arise of the following kind:

- (a) Should Indians be provided with medical care by the Indian Affairs Branch (which is a grouping of functions for a clientele), or, should Indian Health Services be made a function of the Department of National Health and Welfare (which is, primarily, a grouping of functions by major process)?
- (b) If, as is the case, the Department of National Health and Welfare is authorized and required to provide Indian Health Services, why then are Veterans' Treatment Services designated as a function of the Department of Veterans' Affairs?

33. These apparently contradictory applications of principle can be multiplied many times over in the machinery of government and give some indication of the intricacy of determining how functions should be assigned among agencies.

34. In addition to assessing the effect of the application of conflicting principles, the Cabinet may have to consider some or all of the following:

- (a) a need to achieve a reasonable balance of the load of responsibility to be carried by Ministers and senior officials;
- (b) a desire to highlight some aspect of public policy by giving a separate identity to the agency responsible for its execution;
- (c) the effect and interplay of personalities, of which one is the tendency of functions to gravitate toward a "strong" minister;
- (d) a desire to alter the size of the Cabinet either by consolidating agencies and reducing the number of ministers, or by breaking up agencies and creating additional portfolios;
- (e) reports of Royal Commissions which sometimes recommend organizational changes in the functions they have been set up to examine; and
- (f) representations by citizens and organizations with an interest in how a particular function should be allocated.

35. In studying the objectives and structure of an individual agency it is often useful, as a means of putting things in perspective, to examine its relationships with those agencies with which its activities are connected. This looking beyond the confines of a single agency will sometimes reveal problems which are beyond the power of that agency's head to resolve, and may require a study of co-ordinative mechanisms and overlapping objectives.

36. If the two or more agencies, in which problems of co-ordination and over-lapping are suspected or perceived, are responsible to the same Minister, one course of action is to have the deputy head of the agency under examination approach the Minister with a request that he authorize the extension of the organization study to embrace the additional agency or agencies. Thus, an examination of the Department of Veterans' Affairs could conceivably be broadened to include the Canadian Pension Commission or a study of the Department of Transport could encompass related agencies, such as the Air Transport Board.

37. Another kind of machinery of government study may arise with respect to the division and co-ordination of activities for which the responsibility is shared by "line" agencies and central service or control agencies. For example, personnel administration is shared with the Civil Service Commission and the Treasury Board Division, financial administration with the Comptroller of the Treasury and the Treasury Board Division, construction and maintenance with the Department of Public Works, printing and duplicating with the Department of Public Printing and Stationery, the processing of statistics with the Dominion Bureau of Statistics, and so on. The allocation of duties within these functions, and the instruments of co-ordination where functions are shared, should be analyzed to remove duplication and to ensure that a proper balance is achieved between service and control.

38. Yet another kind of problem arises when conflicting principles are applicable to the same function. In the example given earlier concerning Indian Health Services and Veterans' Treatment Services, it was pointed out that the principle of major process was applied in allocating Indian Health Services to the Department of National Health and Welfare but that the principle of clientele was applied in putting Veterans' Treatment Services under the Department of Veterans' Affairs. The apparent inconsistency, however, is explainable. In the former instance, it was decided that the relatively small Indian Health Service would be more effective if it were associated with the medical specialists available in the Department of National Health and Welfare. Veterans' Treatment Services, on

the other hand, are conducted on such a large scale that the employment of medical specialists by the Department of Veterans' Affairs could be justified. In this situation, the objective is integration with other veterans' services; ergo, the Treatment Services could reasonably be grouped with other services to the same clientele.

39. Certain functions are relatively self-contained and unique but are conducted on too small a scale to warrant separate identity as independent agencies; this situation leads to the creation of multi-purpose agencies. Such functions are normally divided among agencies with the aim of achieving a reasonable balance in the load of responsibility of ministers and agency heads. The problem with unique functions is to determine when they have grown to the point where they merit separate identity. In 1961 a new Department of Forestry was established because it was judged that federal activity in this field had grown to the point where it became necessary to amalgamate all related activities in a new and integrated department. Conceivably, government activities in the field of culture might grow to the point where the unification of the National Gallery, the National Museum and the National Library in an agency of national culture would be justified.

40. There are cases where a particular activity of government is conducted on a large scale but has so many facets that individual segments must be retained by various agencies. Oceanography, for instance, is vital or of major interest to the Fisheries Research Board, the Marine Sciences Branch of the Department of Mines and Technical Surveys, the Defence Research Board, the Royal Canadian Navy, the National Research Council, and the Department of Transport. Co-ordination of activities is achieved through the Canadian Committee on Oceanography on which the interested agencies and the universities are represented.

41. A further question with which "machinery of government" could be concerned would be the relative merits of traditional departments and crown corporations as instruments for the effective execution of public policy within a parliamentary democracy. A good knowledge of political theory, particularly that part of it which concerns responsibility to parliament, would be necessary for assessing machinery of government studies in this area.

## **The Types of Statutory Functions**

42. The statutory functions of an agency comprise the main purposes for which it is established. These are explained in detail for each agency in the publication, "Organization



of the Government of Canada", published annually by the Queen's Printer.

43. The basis for a statutory function, by definition, lies in one of the statutes, including the annual Appropriation Acts, and the provisions of a statute are usually elaborated upon in supporting regulations. Since no useful organization analysis can be made until the basic objectives of an agency are identified, the content, meaning and purpose of legislative provisions form the essential prerequisite of an examination.

44. By research and interview, the scale of activities under each function can be ascertained. This can be done by reviewing budgeted expenditures, staff numbers, annual reports and statistical reports. Attention must be given as well to the scale of present activity relative to past or future activity and a rough judgement can be made as to whether it is diminishing, static or growing. The reasons for decline or growth should be learned: the size of a function may be tied to a declining number of clientele (Veterans' Affairs), to the general growth of population (Post Office), or to an enlargement of government responsibility (Health and Welfare). Since an organization structure must be designed to take care of future as well as present needs, the direction of any future change in volume or purpose must be ascertained.

45. Unlike support or internal services, which tend to be similar in all agencies and may therefore be organized according to common principles, each statutory function *tends* toward uniqueness although it would be an exaggeration to suggest that each was unique. The best organization for a statutory function will more likely be determined by understanding objectives peculiar to it than by studying and imitating other organization structures.

46. Statutory functions are the functions of state and they can be classified into four categories:

- (a) direct services to the public or to particular classes of citizens
- (b) indirect services to the public
- (c) regulation of the activities of citizens
- (d) services to other government agencies or some combination thereof.

47. Agencies which provide direct services to the public have much the same organizational requirements as do those which perform regulatory functions. For instance, a direct-service organization must make its service available to its customers and the regulatory organization must ensure that its

'clients' are available to its enforcement officers. In both cases the two must be brought into contact with one another and this requires the establishment of field units. In both cases, too, authority must be decentralized in order that decisions may be made expeditiously.

48. Indirect services include functions which are neither a direct service to, nor a direct restraint on, the public. In recent years, the federal government has accepted broader responsibilities in the public interest and these have led it into activities which, though important, do not normally relate to individual citizens. There has been, for example, a notable intensification of research activities. The Fisheries Research Board, the Research Branch of the Department of Agriculture, the Department of Mines and Technical Surveys, the National Research Council, the Forest Research, Forest Products Research and the Forest Entomology and Pathology Branches of the Forestry Department, are all engaged in pure and applied research of value to a whole field of endeavour.

49. In many fields, the federal government is giving grants and subsidies to provincial agencies in order that they might better carry out their responsibilities under the B.N.A. Act. Several federal agencies are therefore involved in the management of grants, including the Departments of National Health and Welfare, Finance, Forestry, and Public Works.

50. Indirect services generally do not require day-to-day business contacts with the public and there is normally no need for field offices of the same kind or in the same number as are needed by the direct-service agencies, such as the Post Office Department, the Unemployment Insurance Commission, or the Department of Veterans' Affairs, or the regulatory agencies such as the Department of National Revenue or the Fisheries Department.

51. A common characteristic of indirect-service functions is that they are often administered by skilled specialists. This is true in research and development, and particularly in the fields of the natural and social sciences. Where large groups of specialists are employed, it is often best to establish a loose type of organization which permits a maximum exercise of professional skills with a minimum amount of administrative control. Frequently, very wide management spans are permissible as individual units or laboratories are "self-controlled" by the discipline inherent in the profession concerned. Thus, a single officer may have a large number of direct subordinates without exceeding his span of attention or control, because the professionals under his control do not require close supervision. Some of the particular problems which arise in the organization of research are discussed at greater length in Chapter 4.

52. The fourth kind of statutory function is that of providing service to or of controlling other government agencies. Agencies with this kind of function include the Civil Service Commission, the Comptroller of the Treasury, the Government Printing Bureau, the Department of Public Works, and the Bureau for Translations. Complaints of delay and bureaucratic behaviour are as persistent from the customer departments of these internal-service agencies as are the complaints from the public against direct-service agencies. It is important to remember that the creation of an internal-service agency is not the only way of organizing a function internal to the public service; for example, Departments could do their own printing, construction, translation, financial recording, etc. Generally speaking, it is only with the aim of greater efficiency through specialization and scale that central agencies should be established.

53. Agencies which serve the public should have a structure which is "customer-oriented" and, similarly, the structures of internal-service agencies should be designed, primarily, to meet the needs of their customer-departments, subject, of course, to the need for internal efficiency. One way to increase the speed and effectiveness of service is to establish units of the internal-service agency which are attached to, or deal solely with, particular customer-departments or small clusters of departments. Thus the Comptroller of the Treasury has units attached to each agency (or a group of agencies), as does the Bureau for Translations. Alternatively, the internal organization of a service agency may be on a functional basis with special arrangements for ascertaining the needs of client departments and providing for client liaison. The organization of the Civil Service Commission reflects a compromise between these two approaches for it has specialized functional branches and an Operations Branch which is internally organized on a unit basis with each unit servicing one or more agencies.

54. In perspective, it can be seen that the problem of balance is again the major one, in this case balancing the advantages of a central service, whether organized on a centralized or decentralized basis, against the disadvantages of having essential services provided from sources external to the user departments.

### **Changing Statutory Functions**

55. An element of rigidity is built into an organization when some of its functions have been allocated by law to separate agencies reporting to one or more Ministers. Thus, the major activities of the Canadian Pension Commission are

specified in the Pensions Act and there is no way by which the relative responsibilities of the Commission and of the branches of the Department of Veterans' Affairs can be substantially rearranged without recourse to a change in the law. In the field of Agriculture, to give another example, responsibilities have been assigned by law to the following agencies which may not all report to the same Minister:

- The Canadian Wheat Board;
- The Board of Grain Commissioners;
- The Farm Credit Corporation;
- The Maritime Marshland Rehabilitation Administration;
- The Prairie Farm Rehabilitation Administration;
- The Agricultural Stabilization Board;
- The Agricultural Products Board; and
- The Prairie Farm Assistance Administration.

56. The problems of divided jurisdiction between levels of government, among departments and agencies, and between functional and central agencies can never be clarified and resolved unless they are traced to their origin, and defined and evaluated on a periodic basis. The fact that the law must be stable need not mean that it be static nor that it should ignore the practical realities of administration. Quite apart from constitutional or legal questions, divided jurisdiction may be due to purely historical or traditional reasons, and new working arrangements may be possible within the existing legal framework. Co-operation among agencies at all levels of government is seldom prevented by law, and, agencies can always co-operate to avoid duplication and make their combined efforts more effective without changes in organization. At the federal level, it is important to note the public Service Re-arrangement and Transfer of Duties Act (R.S. c. 165 s1), which enables the Governor in Council to transfer powers, duties or functions from one Minister to another and from one department to another, and to amalgamate and combine departments; and these actions can be taken without formal or prior amendment of statutes.

57. A further consideration in favour of the regular reassessment of functions and their statutory basis is the fact that the application of more efficient practices and systems may be stifled by outmoded terms or formulae in the existing acts and regulations. The passive acceptance of conditions which unnecessarily complicate and increase the cost of administration may sometimes be due to resistance to change on the part of the administrator rather than a formal desire on the part of



the legislator to adhere to these conditions. Clearly, it is incumbent on the administrator not merely to be aware of the problems but to make concrete proposals for change.

58. Imaginative and sound solutions, designed to overcome serious problems, must not be withheld solely on speculation about the difficulty of obtaining the necessary change. On the other hand, solutions which are developed without regard to constitutional and/or managerial limitations and practicalities may prove to be valueless. The balance lies in making proposals which pay heed to the limitations inherent in the situation, and also incorporate appropriate recommendations by which the barriers may be overcome, either immediately or by evolutionary stages.

## Chapter 3

# DIVISIONS OF AUTHORITY WITHIN DEPARTMENTS

### General

59. The design of a new organization structure and the revision of the plan of organization of an operating department should be based on the same general principles. In the case of an organization in being, however, the prescription of solutions must be determined largely by the diagnosis of administrative problems. And there may need to be a reconciliation of concepts with the existence of a given staff, a particular allocation of functions, and established practices. The inherent merits of the principles adopted must be weighed against the need for and the desirability and feasibility of change.

60. While this may suggest that each organizational context is likely to dictate the nature of the solutions required, it is reasonable that the solutions be developed from a common rationale. Change in an existing organization usually means a reallocation of functions, duties, authorities and responsibilities in one of two ways:

- (a) *by dividing*, e.g.: previously grouped functions may be separated vertically or horizontally, or as between line and staff; and duties, authorities and responsibilities may be sub-divided, delegated or decentralized;
- (b) *by grouping*, e.g.: previously separate functions may be joined or more closely co-ordinated; and duties, authorities and responsibilities may be re-grouped, re-trenched or centralized.

The purpose of this chapter is to examine some proposals of division or grouping at the higher levels of the organization, and to present a framework within which solutions may be developed to meet particular circumstances.

### The Role of the Deputy Head

61. In order to understand the role of the Deputy Head, it is necessary to examine his task under four titles:

- (a) as a senior adviser to the government on policy;

- (b) as an adjudicator under one or more laws;
- (c) as the manager of an organization;
- (d) as the senior requisitioning authority for resources.

Under each of these titles, the Deputy Head may be over-burdened with a workload which originates partly from inside and partly from outside the organization. The category and the burden of the load will dictate the appropriate remedial solutions.

### *The Deputy Head as Senior Adviser*

62. As the senior adviser on policy within given fields of national interest, the Deputy Head has to be personally familiar with all aspects of those fields. Either "ex officio", or by special appointment, he may be required to participate in the activities of public or semi-public bodies which exist either to help form government policy or to advise the government on policy. Inter-government and international rapport may also have to be maintained.

63. In this role, the Deputy Head can be relieved of some of the direct personal workload by arranging for senior assistants or operational officers to participate on his behalf whenever possible, or by assigning to a unit of the organization the responsibility for preparatory work and current liaison activities. It is clear that if these measures do not give the necessary relief from the 'external' duties related to policy forming, changes may be required in the machinery of government. For example, there may be too many separate bodies or agencies operating within the same fields of national interest, or, conversely, it may be that the range of attention of the Deputy Head spans too many distinct fields of national interest. In either case, drastic changes may be needed.

64. Sound organization and communication should reduce to a minimum the internal workload related to policy forming. This is an area where the standard principles of organization can and should be followed to the fullest extent. Each Deputy Head should receive from his organization the results of studies, and expert judgements, in the most precise, concise and timely manner to help him advise his Minister. The means chosen by Deputy Heads to obtain this essential service will vary, but it would be wrong to assume that it will come automatically. Each Deputy Head will need to take positive action, not only with his immediate subordinates but also with the lower levels of management, to ensure an understanding of his needs and the needs of the department as a whole. Such positive action should include frequent contacts with subordinates, and forth-

right encouragement and stimulation of creative, constructive, and meaningful thought about the tasks of the department.

#### *The Deputy Head as an Adjudicator under the Law*

65. Some laws designate the Deputy Head, or the Deputy Head on behalf of the Minister, as the officer responsible for interpretation of the law or for adjudicating individual cases, subject to differing procedures of appeal. A distinction is made here between: (a) the onus which is placed upon the Deputy Head, personally, to render decisions which may confirm or overrule an earlier decision of the organization, and (b) the Deputy Head's role as the administrator of the law, which constitutes the management role to be discussed later on.

66. If the adjudicating workload is continuous and substantial, the relief which can be given to the Deputy Head can take one of two forms:

- (a) a senior operating officer can be designated to assist the Deputy Head in reviewing cases and rendering decisions on his behalf; or
- (b) a special senior assistant can be adjoined to the Deputy Head to review cases and prepare them for decision; this officer would be separated from line operations.

In either case, an evaluation may have to be made of the desirability and need for a group of supporting experts and staff (to perform the necessary processing, screening and other preparatory work) which is totally separate from the remainder of the organization. If that need is founded on grounds of equity or volume of work, consideration should be given to the complete organizational separation between administrative decisions and adjudications. Throughout the government organization, this practice has gradually developed and is exemplified in the Department of Veterans' Affairs (Canadian Pension Commission), the Unemployment Insurance Commission (Offices of the Umpire), and in the Department of National Revenue, Taxation (Tax Appeal Board).

#### *The Deputy Head as the Manager of an Organization*

67. The dictionary makes very little distinction between a manager and an administrator. In at least one Act which defines the duties of a Minister and a Deputy Minister, the terms, "administration, management, direction and supervision", are either interchangeable or complementary (Cf. An Act respecting the Department of National Revenue R.S., c. 75, s. 2, 3 and 4). For the purpose of this chapter, the Deputy Head is viewed as being the *administrator* of one or more Acts of Parliament, that is, as the permanent civil servant responsible for applying one or more Acts. The manner in which the Deputy Head



applies the law is through an organization and, as such, his administration of the law is achieved through the *management* of an organization. The terms "manager" and "management" will, therefore, be employed in discussing the role of the Deputy Head vis-a-vis the organization.

68. As manager of an organization, the Deputy Head is responsible for planning, directing and controlling like any other manager, and the organization plan should be such as to keep to a minimum the time and effort required by him to perform these basic functions. Here again the common principles of organization should be fully relevant in developing the basic plan of organization.

69. There are four fundamental duties which must always accrue to the Deputy Head and must be taken into account when determining the organization structure, namely:

- (a) the promulgation of policy;
- (b) the selection of officers for top posts;
- (c) the co-ordination of activities;
- (d) the maintenance of relations according to protocol or practice.

Each of these four points requires special consideration in developing consistent solutions for organizational problems.

70. With regard to the promulgation of policy, the line of demarcation between cases which can be approved within established policies and those which require either a re-appraisal of policy or a new policy, should be drawn as clearly as possible. The degrees of delegated authority should be established, and the types of cases which must be reviewed by the Deputy Head should be defined. Beyond this, there is not much that can be done to lighten the Deputy Head's load. He must promulgate policy as required, and delegate accordingly, as the circumstances change.

71. The selection of officers for top posts is a vital personal responsibility of the Deputy Head, subject to the merit system, and it is important that the organization be structured so as to provide the Deputy Head with adequate advice on the personnel at the senior levels of the department.

72. One positive means of achieving co-ordination is the use of a central management committee chaired by the Deputy Head himself, and the development of participative decision-making can be fostered by this form of organized co-ordination. The Deputy Head must inspire, involve, develop and encourage

his subordinates; in other words, the Deputy Head has a vital leadership role and, to fulfil it, he must take time to ensure that the senior officers of his department are fully aware of the focus of their accountability to him in a personal sense.

73. The maintenance of relations with people outside or inside the organization often demands a great deal of the time of Deputy Ministers. There attaches to every senior post a formal component which requires the incumbent to follow a protocol or an established practice in maintaining relations with other people. This applies particularly in relations outside the organization, but it may also be a factor inside the organization for reasons of morale.

74. The first thing to establish is what part of the burden imposed by protocol or practice can be reduced or eliminated by delegation, but care must be taken to ensure that delegation does not overburden the next level of the organization. This could prove to be equally detrimental to the organization. A preferable solution, where the workload so justifies, is to provide personal assistance to the Deputy Head through an executive assistant whose task would be to perform such preparatory work as may be needed by the Deputy Head, or to co-ordinate the efforts of the organization to meet specific enquiries or ad hoc requests. An executive assistant of senior rank could, of course, be useful as secretary of the central management committee.

#### *The Deputy Head as Requisitioning Authority for Resources*

75. In comparison with the general-manager or manager in private business, the Deputy Head has one role which is unique and this is his role as the senior requisitioning authority for resources. The public service, by reason of its financial arrangements and various centralized control and service practices, imposes upon the Deputy Head the task of requesting, or approving the request of, funds, staff and other resources according to prescribed regulations and procedures.

76. It is not intended here to discuss the merits or faults of the overall system of control. Regardless of the system, the Deputy Head will always be required to justify directly, or through his Minister, major requests for resources and services from other government agencies. In this area, the only suggestion which can be made to reduce the load on the Deputy Head is that, wherever the regulations provide for signing authorities other than the Deputy Head himself, such authority be assigned to appropriate specialists in personnel, finance, purchasing, and so on. If the organization lacks such specialists, the need for them should be evaluated.

### *Summary*

77. At the level of the Deputy Head, the object is to achieve a balanced mix of duties which contains only the essential ingredients for maximum effectiveness. At the apex of the organization, there can be no "alter ego". There needs to be one individual with full power of command, or groups of individuals with equal rights in a combined power of command, according to the wishes of the legislator.

78. It would appear that there is no single answer to the problem of reducing the Deputy Head's personal workload and it is certain that the Deputy Head cannot be completely divorced from any one of the four basic roles which demand his attention. The solution, therefore, is to interpret the workload in terms of its elements and to consider for each element the possibilities of permanent or temporary delegation and/or direct personal assistance.

### **Operational Activities**

79. One of the recurring questions in top level organization is the extent to which the operational activities should be grouped to keep the Deputy Head's span of management within reasonable limits and to facilitate his role as co-ordinator. Four broad plans may be suggested to meet these two requirements:

- (a) In a single-purpose department, a direct line relationship can be established from the Deputy Head to the operating units, divided either by sub-functions or by geographical area. The Deputy Head, in this instance, assumes the full task of co-ordinating the sub-functions or the geographical areas, as well as the task of relating the specialist and support functions with the operational functions.
- (b) In a single-purpose department, the magnitude of the operations or the need for communications between headquarters and field may justify a post of Director-General of Operations to be interposed between the Deputy Head and the operational activities. The Director-General's role should be either to co-ordinate sub-functions or to act as the link with the field operations; the Deputy Head's task is then adjusted to the co-ordination of specialist and support functions with the operational functions.
- (c) In a multi-purpose department, the separate and distinct major operational functions can be organized to report individually and separately to the Deputy Head and the officer responsible for each separate function would be the Director-General of that func-

tion. The Deputy Head's role would then be to co-ordinate the support functions with each of the separate functional areas. In this situation, a management committee is a useful instrument to develop and apply common management policies.

- (d) In multi-purpose departments where there are too many major functions to be co-ordinated directly by the Deputy Head, or where there is a great disparity between the separate functions in terms of national importance or size of staff, functions may be grouped to adjust the Deputy Head's span of management. Any officers interposed between the Deputy Head and one or more separate functions are there primarily to assist the Deputy Head in communication and co-ordination and can logically be called Assistant Deputy Ministers. An Assistant Deputy Minister level in an organization permits the form of delegation discussed earlier, particularly in regard to the Deputy's roles of adviser, adjudicator and requisitioning authority.

### **Specialist Activities**

80. No organization of the magnitude and complexity of a major department of government can operate without the use of specialist and support services. The requirement for specialist and support groups will vary from department to department and from function to function. However, there are some general rules of organization which may be applied to achieve integration and reduce the possibility of conflict and over-lap. For discussion purposes, a distinction has to be made between the two activities. Specialist activities are those which pertain directly to the function to be performed but, for reasons of specialization and uniformity, are segregated at one or more levels in the organization. Examples of such specialist activities are legal advice, research and statistics, economic analysis, and so on.

81. The following are some of the basic rules which should be applied in locating specialist activities:

- (a) In a single purpose department, the specialist activities should report directly to the Deputy Head if the dual role of the specialist is to be fully exploited, that is, as an adviser to the Deputy Head and as a functional director of the specialized activity. Any one specialist activity may be sub-divided into finer segments of specialization. On the other hand, the combination of separate and distinct specialist activities should be avoided unless there is a need for co-ordination which is definite and continuous. If the span of attention of



the Deputy Head would be unduly enlarged by having too many different specialists reporting directly to him, grouping would be justified but only if the proper individual can be found who can usefully act as the co-ordinator, intermediary and spokesman.

- (b) In a multi-purpose department, the specialist activities related to each particular function should report to the Director-General of the corresponding function; the comments made immediately above with regard to the separation or grouping of such functions then apply. Only in the rare case where the same specialization could apply to two or more entirely separate functions should the possibility be considered of a combined specialist function reporting to the Deputy Head directly. A priori, it would appear that the justification for such an arrangement would have to be either: (i) substantial savings, or (ii) a shortage of the particular type of specialist required.
- (c) The role of the senior specialist should be specified as that of an officer with authority and responsibility to prescribe rules in a specialized field, but with restricted responsibility for execution.
- (d) Whenever a specialist activity is segregated at different levels within the line, there should exist a direct channel of communication between the senior specialist and the specialists at subordinate levels, particularly for the exchange of information.

## Support Activities

82. The main characteristics of support services are:

- (a) They are common to several functions, including the related specialist activities.
- (b) They are concerned with the effective and efficient allocation and use of resources required to achieve a purpose, rather than the achievement of the purpose itself.
- (c) They may involve an element of control.
- (d) They may be the counterpart of service and control activities outside the organization.

83. The fundamental reason for segregating support services is to increase managerial efficiency through specialization. The need for specialization in various fields (such as personnel, purchasing, records management, establishment control, budgeting, and accounting) which form part of the manager's

direct area of interest, is an established fact. It facilitates planning and decision-making and achieves more uniform service and more economical operations in each specialized field. The problem, therefore, is not to decide whether specialization is justified but to determine where the division of responsibility lies between the manager and the support service. There is often a conflict between the need for managerial efficiency as interpreted by support services at one level of the organization and the need for managerial autonomy as interpreted by operating managers at a different level. At one extreme, there are those who would regard support activities strictly as a service to the manager and, at the other extreme, there are those who would consider them as controls to be imposed upon the manager. Some equilibrium has to be achieved between these extremes and this can be achieved, effectively, only by consultation and understanding of the respective responsibilities. Further discussion of these problems is provided in Chapter 6.

84. At the very top of the organization, there should be a focus of administrative support services because the Deputy Head is the senior manager and he is ultimately responsible for deciding policy in each one of the administrative support fields. However, very few support services require day-to-day direction from the Deputy Head, and this means, in most departments, that most support services can be grouped under an administrative officer at a senior level in the organization. On the other hand, and particularly in some departments, there are certain support services (such as personnel, staff control, and finance) which play a vital role in management. Ideally, the head of each of these services should report directly to the Deputy Head both for the purpose of giving him advice and for the purpose of receiving direction from him. However, the demands of the operational and the specialist activities must also be considered. In the majority of cases, and particularly in multi-purpose departments, it is not practical to have even the major support services reporting directly to the Deputy Head. A position of senior administrative officer becomes a necessity to give direction to the support services and to facilitate the co-ordination of their activities with the line and specialist groups. And this is not solely a matter of compromise between the ideal and the practical because the following benefits can be derived from a central focus of administrative support services:

- (a) It can give a single orientation to the administrative support services, and depending on the need of the organization at a particular time, the orientation may be toward service with limited control, or it may be toward control to tighten up the administration.

- (b) It can provide a bridge between the personnel function, which is basically people-oriented, and the staff control function, which is basically position-oriented.
- (c) It can encourage the creation of a central advisory group to study and recommend improvements in various facets of administration.
- (d) It can provide the Deputy Head with management advice appropriate for his level.

85. A further examination of some of the problems and demands of the organization of support services is made in Chapter 6.

## Chapter 4

### ORGANIZING FOR RESEARCH

**NOTE:** The emphasis of this chapter is directed mainly at the organization of large scientific groups operating in the physical and biological sciences. This is so only because such institutions are more common than research units of a significant size among the various social sciences. Nevertheless, the arguments for the modification of organizational concepts have universal significance for research activities, regardless of their specific nature and subject only to the special limitations of scale.

#### Division of Work

86. A research agency shares many features in common with other kinds of institutions. It too is an aggregation of human and physical resources working in co-ordination towards prescribed objectives and its organization must facilitate the planning, organizing, directing and controlling of its activities.

87. Imposed upon the common features, however, are the unique requirements arising from the nature of the research function. Research demands a stimulating or inspirational context. The inspiration of the scientist must come from within himself; and, therefore, the usefulness of most external sources of motivation (e.g. directives, material rewards, threats, or paternalistic and authoritative management, in general) is suspect in research institutions.

88. Freedom without license requires self-discipline and control and the development of these attributes is one of the main goals of university education. These attributes are reinforced by the professionalism of scientists which is rooted, in part, in their desire to vest the control of the individual's status in the community of his peers, and not primarily in the organization in which he is employed.

89. If scientific freedom, with its concomitant demand for self-discipline, were carried to the extreme, scientific institutions would not exist in the usual organizational sense. Research, however, is expensive, and the financial sponsor demands the commitment of his employees to the objectives that he prescribes. This fact alone makes necessary some formal



machinery for the co-ordination and control of scientists' efforts and these are characteristic of organized enterprise.

90. Almost invariably, organized research involves several scientific disciplines. Medicine, agriculture, mining, and communications are only examples of the numerous fields of endeavour that rely increasingly upon knowledge derived from many scientific disciplines. The grouping of the disciplines in any sizeable research organization is a problem that is aggravated by the increasing specialization of science.

91. The division of labour at the "working" level in research organizations is based on the scientific specialties. The common titles of scientist positions, such as organic chemist, toxicologist, biophysicist, and so forth, reflect the division of labour at the individual level.

92. The division of work at the supervisory and management levels of research organizations should be influenced more by the purposes of the organization. If the purpose is pure (fundamental; basic) research (in the sense that knowledge is sought for its own sake, without foreseeable practical application) the scientific disciplines tend to continue to be recognized in the higher echelons of the organization. Chemists tend to be grouped with chemists, and physicists with physicists. In such research, it is both desirable and possible to concentrate both knowledge and synthesizing abilities within the unity of the established disciplines.

93. The organization of research directed to solving practical problems, however, is faced with different influences. The ramifications of the problem frequently extend beyond the bounds of a single discipline and its solution requires the co-operation of several specialists. The influence that scientific problems can exert upon the organization of personnel was demonstrated in recent years when two nuclear chemists were assigned to the medical staff of a Canadian hospital because of the value of their research and knowledge in the study of complex medical problems. For similar reasons, plant pathologists, biochemists, entomologists, and pedologists are frequently closely associated in agricultural research organizations.

94. The logical orientation of applied research organizations to the problems that justify their existence sometimes leads to special problems of the location of research staffs in large enterprises. The requirement to assess the problem and to test possible solutions *in situ* justifies the physical proximity between the research organization and the problem.

95. The mixing of scientific disciplines in response to the objective of the institution usually represents a degree of

sophistication in the enterprise. The beginnings of applied research, however, are often marked by rather uneven and unco-ordinated efforts among the disciplines. The observation that some agricultural crops failed after infestation of aphids led to the employment of entomologists on the problem for several years before it was realized that the insect was merely the vector of a disease much more damaging. Frequently, however, during the early phases of investigation, the first requirement is, simply, to acquire a store of factual knowledge within disciplines on which more advanced studies can be developed. The early phase of applied research is marked by the definition and appreciation of the problem, the identification and classification of causes, and the discovery of practical solutions by empirical or trial-and-error methods.

### **Authority and Responsibility**

96. While the divisions of labour are important in the long run since they govern the way in which scientific knowledge is focused on the objective, the distinctions between levels of authority and responsibility are probably even more significant since they are important determinants of the "atmosphere" of the organization.

97. Authority is exercised by the sponsor when he prescribes his purpose for the organization. The statement of purpose may range in nature, for example, from "To determine the physical, chemical, and biological characteristics of the ocean", in the case of a pure research organization, to "To develop an improved fishing gear for halibut", in the case of an applied research institution. In either case, the ultimate objective of the research institution is almost inevitably influenced by the 'sponsor'; this limitation of 'freedom' is part of the price the scientist must pay for employment.

98. Either statement of objective, however, but particularly the first, leaves a great deal to be decided within the research organization itself. Which of the possible avenues of investigation are likely to be the most profitable? What resources that are available should be committed to this study? Where can a study be best conducted within the organization? These are the questions which the organization must settle and which will determine to a large extent the immediate objectives of the institution, and of its components.

99. While few research institutions are autonomous in their authority over what is to be done, they should jealously guard complete authority over the way in which they conduct their studies since this is the realm in which only the scientist is competent to decide. In any case, the way in which authority

and responsibility are exercised within the institution is crucial in human terms, and is now analyzed for the four major categories of management: planning, organizing, directing, and controlling.

### *Planning*

100. Project planning in research must reconcile the external demands upon the institution with the factors that can only be evaluated internally. Questions such as: "What studies are necessary to complement existing knowledge?"; "What investigations are likely to be most useful?"; "What studies is the institution capable of undertaking?"; can only be answered effectively by the institution itself.

101. In many organizations, planning is often isolated as a special concern of managers, or of a staff group at a senior management level. Neither form of organization is desirable, however, in the research institution.

102. Research is a creative activity. The greater the creative and analytical abilities that are applied to the planning process, the greater are the potential savings and results in the subsequent research. Also, to be most effective, planning must simultaneously involve all levels of authority from the top executive to the scientist at the bench. The process involves decisions on the resources to be utilized and these decisions are shaped and influenced by decisions on the methods to be adopted and the lines of investigation to be followed.

103. The planning process in research calls upon a combination of administrative and scientific capabilities that usually exceed the capacity of any individual. The planning conference, in which all personnel who can contribute to the decisions participate, becomes most appropriate in this situation. The planning conference that includes superiors and subordinates in the organization also acknowledges that authority relationships derived from scientific competency often differ from the formal relationships of the organization. All participants are therefore given an equal hearing in an effective planning conference, although individual influence upon different decisions will vary in accordance with experience and knowledge.

104. The scientific capabilities brought to bear upon research planning need not be restricted by organizational limits. Planning may be broadened and improved by including the views of outside experts, either individually or as members of advisory committees.

105. The responsible research manager who encourages the participative technique in planning, deliberately places himself "on the spot". The technique does not reduce his

accountability; on the other hand, he may find it difficult to modify or veto a decision of a planning conference that contradicts his own judgement. But, contradictory judgements are not eliminated by authoritative management, they are only masked, and it remains a primary responsibility of the executive to exercise judgement within a broader context of administration than is the environment of the scientists in his charge. He must determine how the planned contribution of his team can be matched effectively and harmoniously with the plans of the agency as a whole and of any other institutions operating in the same field. Furthermore, his priorities and targets must fit the financial goals laid down.

106. Other important benefits can be derived from participative planning. Experience indicates that the incentive of the researcher is greatly increased by his involvement in project planning and that, without such involvement, the scientist may readily and naturally adopt a sceptical and negative attitude towards his assignments. Furthermore, the knowledge and interest of scientists can be usefully broadened by the process.

### *Organizing*

107. While realistic planning will take into account the resources required for a project, there must follow the acquisition and consolidation of these human and material resources in the most effective arrangement to meet the objective. One need is the continuous acquisition of these resources from sources outside the institution; personnel must be employed and laboratory space, equipment, and supplies must be acquired.

108. Whereas planning is a creative and intellectual process, organizing is primarily the effective co-ordination of a number of activities. This demands strong unity of direction over the marshalling of resources. The obvious implication is that, as far as possible, one executive should have the authority to acquire all resources that are normally required by the research institution.

109. This is the ideal, which is modified to some degree by other influences. The acquisition of resources should not proceed in isolation from those who will utilize them; normally, the user of the resources should be consulted on the type of resource to be acquired within the available range of choice, and on the timing of the acquisition, even though he does not exercise final authority over these decisions nor does he represent the institution in negotiations with extra-mural supplying and controlling agencies.

110. A crucial problem in the organizing process is the structure of service activities and personnel in the research



institution. It is a basic assumption that supporting personnel should be assigned to the organizational level which is the principal employer of their services. Once again, however, the implications of a theoretical principle are often modified by more practical considerations. The widespread dispersal of support personnel can be economically unsound because (i) they are not under competent supervision (in their activities), or (ii) there is an insufficient or varying workload which does not keep them fully employed. A reasonable balance between centralizing and decentralizing forces must be struck when organizing technicians, clerks, typists, editors, and other supporting personnel. In achieving this balance, however, care must be taken to avoid the misuse of the time of researchers on routine activities.

### *Directing*

111. The conduct of research is one of the most solitary activities of man, in the sense that the traditional exercise of authority, in which commands result in obedient responses, is completely ineffectual. The productivity of the scientist as a researcher derives entirely from his ingenuity in correlating information, and in synthesizing and evaluating ideas. A scientist who simply constructs experiments subject to the ideas and direction of others is primarily a technician.

112. The term "directing" is therefore practically useless among researchers, and the concept that it normally conveys is inapplicable to the work of such people. Generally useful, however, are those suggestions and constructive criticisms that prevent the receptive scientist from stagnating in intellectual dead ends. The way these are presented should take into account the experience and attitudes of the individual researcher. It is not surprising, therefore, that experienced and effective research directors regard themselves more as supporters than commanders of their research personnel.

113. The constructive and supporting atmosphere that a research director encourages in his institution should not depend solely on his efforts. Ideas and criticism should be offered to the individual by all of his research colleagues in accordance with their capabilities, and without regard to their position in the formal organizational hierarchy. Such encouragement to the individual can be proffered most effectively by others who themselves have experienced for some time the dogged persistence that is required to overcome scientific problems. Finally, however, the man who formally occupies a position of research director must govern the environment of each of his researchers for, in this way only, can he direct their work.

### *Controlling*

114. In management, control activities are those which are directed towards facilitating the achievement of the organization's objectives, in both qualitative and quantitative terms. Management usually controls by comparing achievements against objectives.

115. Controlling is frequently a neglected area of management in research institutions. It is a relatively simple step between the reasoning "No one but I can command my research abilities" to "No one else can measure what my achievement should have been". The latter is an over-simplification that ignores the possibilities and the requirements of organized enterprise. Obviously, assumptions are frequently being made about the performance of researchers. Such assumptions are usually the basis of their advancement in salary and status within an institution. An equitable relationship between the individual researcher and the employing institution, requires that controls which seek to assess performance against the objectives and plans of the organization be consciously asserted. The issue is not whether there should be controls, but how they can be applied impartially and fairly.

116. Qualitative control can be derived from the publishing practices of a research institution. The scientific paper that is published in a leading journal, after an appraisal by an expert and independent reviewer, is generally acceptable to the scientific community-at-large. On the other hand, the reverse may apply to the many papers published in journals that are not rigidly selective in their editorial policy, and this might also be true for some publications produced by research institutions themselves. Neither science nor the scientist benefits from the publication of reports of research that are poorly conceived and executed.

117. The practice of organizational control in research should reinforce the scientist's self-discipline. If a particular mechanism of control is unacceptable to the researchers, persistence with it can destroy the very climate that is essential to any scientific achievement. It is therefore important that project reviews, the evaluation of technical reports, and any other machinery of normal organizational control should be acceptable to most if not all of the research scientists who are subject to it.

118. The acceptance of organizational control is likely to increase the more it is applied by groups instead of by the individual superior. In addition, the impartial judgements of a group will normally carry greater weight than those of an individual.

119. If the group approach is followed, the main responsibilities of the executive are:

- (a) to ensure that performance is impartially and diligently assessed by committees of appropriate composition;
- (b) to govern the rewards to personnel in accordance with their achievements and value to the organization;
- (c) to reach decisions on the disposal of those who fail to meet minimum expectations.

120. Finally, the demands of the institution upon its research personnel should be as high as those of the most reputable and outstanding scientific organizations. Probably the most reliable mechanism to ensure reasonable standards of performance is a continuous exchange of scientists among research institutions. While any institution is usually reluctant to lose a valuable employee, such "losses" are in fact most desirable to avoid in-breeding in attitudes, concepts, and expectations.

## Summary

121. The primary responsibilities of the research director are to ensure that the objectives of the institution and of its investigations are clearly established, to acquire the resources necessary to achieve these objectives, and to ensure that the research programme is effectively directed and controlled. If ad hoc committees are used as planning and controlling mechanisms, the justification for several managerial and supervisory levels in the institution is reduced.

122. A long scalar chain is unsound in any organization and should be avoided in research institutions. When it does exist, severe restrictions upon the scope of the researcher will inevitably result. The institution becomes divided into narrow compartments that are inimical to the easy exchange of ideas and information. Man-to-man rule can further preclude the participation of the subordinate and of his colleagues in the planning and control of programmes.

123. The common need to employ technical experts (such as Statisticians, Biometricians, etc.) in research institutions should not automatically lead to the creation of additional supervisory posts. Technical experts can contribute to the research programme in the role of associates, in a staff capacity, to the research director. They can contribute particularly as chairmen or key members of planning and controlling committees within the institution. Their authority over the programme can derive entirely from their competence, and not from formal authority of position in a hierarchy.

124. The organization of the administrative and other common supporting services in a research institution must pay heed to the following assumptions:

- (a) The performance of the financial, personnel, purchasing and stores functions of an institution requires different abilities from those required for research.
- (b) Scientists are generally not well qualified to exercise the direction required for the efficient performance of the administrative services.
- (c) The administrative services must be responsive to the unique requirements of the research institution, and must be primarily supportive and not restrictive.

125. If these assumptions are valid, they dictate the organization and management of the internal administrative services in a research institution. They indicate that, with the exception of secretaries to senior research personnel, researchers should not be held responsible and accountable for the work of administrative personnel; instead, the latter should be organized as a separate group under a qualified administrator who, in turn, reports to the senior executive of the institution. The top executive should have direct concern with only those administrative actions which exceed, in cost or significance, the authority that he delegates to others in the organization. Generally, the research personnel should have authority to requisition those resources and services which they require and with which they can be entrusted in the light of their experience and responsibility.

126. Other common services available to the entire organization, such as machine shops, photographic service, and library, may also be conveniently grouped under the head of administrative services. These require much the same orientation to the entire organization as do the financial and personnel services.



## Chapter 5

# FIELD ORGANIZATION AND ITS PLACE IN THE STRUCTURE

127. A field organization is usually necessary in an agency which either provides a direct service to members of the public, or regulates their activities. Field units are normally subject to the functional authority of two or more groups of specialists at Headquarters, even though the line superiors in the field are not usually responsible to these groups. This aspect of dual subordination (that is, technical direction from one source and administrative direction from another) constitutes the major problem of field organization and its authority relationship with Headquarters.

128. A first step in understanding the problem of integrating functional and line authority is the clarification of the meanings of "functional" and "line". Functional authority is the authority to prescribe policy and procedures in a particular function. In broad terms, it gives the right to decide what activities will be undertaken and how they will be carried out. Line authority, on the other hand, is the direction of day-to-day operations, namely: who will do what has been prescribed, where it will be done, and when it will be done.

129. Aside from some economies in administrative services and, possibly, a greater convenience to the public, there is no intrinsic advantage in grouping unique and independent functions in one field office under one administrator. Because this system interposes a generalist in the line between field specialists and their headquarters' counterpart, it can lead to a withdrawal of decision-making authority on the part of headquarters' specialists and can force geographical divisions of work which are not suitable for all components of the integrated office, as well as other significant disadvantages.

130. In a multi-purpose agency, therefore, it may be best for each self-contained branch to have its own field organization, tailor-made to its needs. Thus, in the Department of Northern Affairs and National Resources, the Northern Administration Branch and the National Parks Branch each has its own field offices, even though the Branch Directors report

to the same Deputy Minister and pursue activities in geographical areas that overlap. Similar parallel decentralization is in effect in the Research and Production and Marketing Branches of the Department of Agriculture, and in the Marine Services and the Air Services Branch of the Department of Transport.

131. In a single-purpose agency, or a clientele-oriented agency, integrated field offices are usually more efficient. Thus the Post Office Department has integrated field offices, as does the Unemployment Insurance Commission.

132. Between the extremes of multi-purpose agencies with parallel decentralization and single-purpose agencies with integrated decentralization, there are many variations which call for field-headquarters authority relationships which lie somewhere between parallel and integrated decentralization. In the Department of Veterans' Affairs, for instance, the Veterans' Land Act Branch has both line and functional authority over its field offices and the Treatment Services Branch has both line and functional authority over professional medical services in the field, but a Regional Administrator controls welfare services, administrative services and Veterans' Bureau operations, and those administrative services needed in departmental treatment institutions.

133. Field establishments are often organized at two levels, with district or local offices reporting to a regional office and the regional office reporting to Headquarters. This serves two purposes: it provides for a senior regional officer who can co-ordinate the activities of local offices in a given area, and it prevents an excessive span of management for the agency head at headquarters. Local offices, in regular contact with the public, do not usually have any doubts as to their precise role and responsibilities. This is not always so with regional offices, whose authority is often nebulous and subject to frequent challenge by functional specialists at Headquarters who are eager to extend their authority into the area of giving day-to-day instructions to local offices.

134. It follows, therefore, that a field organization with regional offices cannot be expected to operate properly unless the authority and responsibility of the field and headquarters officers are carefully defined. It is difficult to understand why some agencies deliberately avoid a careful and complete guide to the respective duties of regional officers and headquarters' units; the claim sometimes made that such codification creates unduly rigid divisions of authority will not stand up under close scrutiny because any advantages that may be gained by keeping authority allocations loose and undefined are more than offset by resulting conflicts of authority and failure to carry out

essential responsibilities on the grounds that it is someone else's job.

135. Regional offices often serve as the location of subject matter specialists. Given the right circumstances, a regional office can become a mirror of Headquarters, with specialist officers or specialist groups that parallel those at Head Office. It will be apparent, however, that this arrangement adds a second and costly layer of specialist supervision over operating personnel (one specialist at Headquarters and another at the Regional Office) and it greatly increases the likelihood of interference by specialists in what are properly operational duties; the nearer to the scene of operations the greater is the temptation to overstep functional authority. There are situations, therefore, where it is desirable to break up specialist groups at the Regional level and disperse them into local offices where they can provide direct services to the public or deal directly with the subject matter in which they specialize.

136. Certain circumstances require the establishment of specialist units at regional offices. Care must be taken, in such cases, to clarify their respective responsibilities vis-a-vis Headquarters and the regional administrator, and to ensure that they do not dilute or otherwise tamper with the superior-subordinate relationship of the regional administrator and the local or district office manager.

137. One problem frequently encountered in field-headquarters relationships is the delay created by treating exchanges of information with the same formality as decision-making. It is unquestioned that decisions must be made according to a formal authority allocation and it is recognized that certain recommendations must move through two or more levels of the hierarchy before a point is reached at which there is sufficient authority to make the necessary decision. Unnecessary delay occurs, however, if a simple request for information, say from a local office to a headquarters' unit, is forced along the same path as are requests for decisions, i.e., through a regional administrator to a regional specialist and finally to the information source at Headquarters. As a rule, communications which neither request nor give a substantive decision should take place directly between the employees concerned, with copies of the exchange going, after the fact, to one level of supervision higher than that of the correspondents.

138. Senior field officers sometimes complain that their views are not adequately represented in the deliberation and decision-making at Headquarters, and because they normally report directly to the agency head they are at a loss to see how their interests can be overlooked. In such cases it is

usually found that the agency head has been unable to keep fully informed on the point of view of such officers. Where such instances are frequent and serious, and where no relief can otherwise be provided to an agency head in his dealing with field-headquarters conflicts, it may be necessary to recommend the appointment of a senior officer at Headquarters who would be responsible for field operations and would act as spokesman for senior field officers on questions of interest to them.

139. When decision-making authority is delegated to field offices, it is necessary to provide for uniformity of field decisions, and to achieve the congruence of field decision-making with government policy; a balance must be achieved between the need for quick decisions and the need for decisions to be consistent both with one another and with policy.

140. The commonest arrangement for meeting these sometimes conflicting needs is to establish groups of specialists at Headquarters, who prescribe and enforce policy and procedures across the country in their respective specialties. When added to statutes and regulations, the instructions and directives issued by these functional specialists provide a comprehensive code against which field officers can judge the questions which come before them. The organization will be incomplete, however, unless formal provision is made for the feeding back from the field units of information on whether the code is being followed and, equally important, on whether the code is appropriate to the objectives of the function. Feed-back can be obtained by any one, or a combination, of the following:

- (a) a post-audit of field decisions and activities;
- (b) regular reviews in the field by individual Headquarters' specialists or by reviewing teams from Headquarters;
- (c) free communication lines between field officers and the specialists concerned at Headquarters;
- (d) formal, periodic reports, either in statistical or essay form, on the volume and appropriateness of field activities and decisions;
- (e) the establishment of a senior position at Headquarters to direct and be responsible for field activities, and to act as spokesman for field administrators.



## Chapter 6

# ORGANIZATION OF SUPPORT SERVICES

### General

141. The characteristics which identify and distinguish specialist and support activities were discussed in Chapter 3. A detailed listing of the principal elements of the support services is provided at Appendix D, under the following main headings: Personnel; Financial; Purchasing and Stores; Registry and Records Management; Engineering Services; Management Advisory Services; Information and Public Relations; Data Processing; Legal Advice; Office Services; and Secretarial Services. The listing also indicates optional arrangements for the location of specific activities, and provides for degrees of centralization of support services within agencies.

142. In the achievement of efficiency, a support division is normally required to serve as a balance wheel between effectiveness and speed on the one hand, and economy on the other. It should operate, therefore, in an atmosphere of balanced tensions. If effectiveness and speed were the sole criteria by which a support service were to be judged, the best system of organization might be to give each operational branch its own complement of support service experts. Their sole concern would be the effectiveness of the branch to which they were attached and economy would be sacrificed for the sake of expediting the branch business. If economy were the sole criterion, it is likely that central services would best meet the need. They could exercise strong and independent restraint, take advantage of the economies of specialization and scale, and provide a concentration of facilitative and policy control activities.

143. Somewhere between these two extremes is likely to lie the best arrangement for a particular support service in a particular agency. The major factors to be considered are:

- (a) The extent to which complex government-wide controls are prescribed. For example, the Civil Service Act and Regulations govern personnel practices. They must be uniformly applied and constitute a major restraint on an agency's freedom to do as it wishes. There are also complex government-wide controls in such matters

as budgets, financial control, contracts administration, and purchasing. The Financial Administration Act and Regulations are the expression of the government's will on financial matters and therefore take precedence over internal agency preferences. In general, the greater the extent to which **complex** government-wide controls are prescribed the greater is the need for *central* services within agencies.

- (b) The importance of speed as a factor in efficiency. There is little doubt that a decentralized service is likely to be faster than a centralized service and if speed is an important element in a particular service, decentralization must be given greater weight in organization. For example, the decentralization of subject files to the branches in which they are used is usually based on the need for speedy action, and complaints about poor service from a completely centralized registry are thus eliminated.
- (c) The need for co-ordination of support and operational activities. Certain support activities border on being operational in their character; for example, the calculation of food requirements for a hospital is an instance of a "near-operational" support activity that could hardly be carried out except at the hospital itself. Along with the need for co-ordination, the corollary need for frequent personal communication and consultation must also be considered.
- (d) The need for clarity in the delegation of duties. Sometimes a job is neglected because neither the support service nor the operations branch is sure which should do it—a situation comparable to a ball dropping between two fielders because each thought the other would catch it. Accident prevention programmes and counselling services are important examples of tasks which fit this category.
- (e) Costs. The economic advantages of a particular support service organization are rarely documented. It is not easy to measure all of the sub-factors when calculating costs of alternative arrangements, but the costs should not be disregarded in evaluating the alternatives.
- (f) The demonstrated need for a particular service. It is not unusual for a support service to expand its functions beyond those which are in actual demand by operational branches, resulting often in reports, for example, which may be valueless because they are out-of-date or too difficult to interpret to be of practical use.

144. It is the purpose of the balance of this chapter to review and discuss the organizational problems associated with certain specific support functions, namely: Personnel Administration and Establishment Control; Administrative Inspections; and Purchasing, Contracting and Stores Control.

### **Personnel Administration and Establishment Control**

145. In this section, reference is made to selected departmental functions whose purpose and scope should be defined, initially, in broad terms. The main functions which require such prior definition are:

- (a) *Personnel*: the selection of people, the administration of working conditions, and the development and welfare of employees;
- (b) *Establishment or Staff Control*: the determination of the number, grade and organization of positions required to do the work of a department;
- (c) *Budget Control*: the development and application of controls over the allocation and use of resources;
- (d) *Accounting*: the maintenance of financial records for financial control and general management;
- (e) *Administration*: all functions concerned with the efficient management of the department through the planning and implementation of policies and programmes, the provision of common services, and the evaluation and control of performance.

146. The Civil Service Act of 1962 assigned the responsibility for organization to the departments, and removed the Civil Service Commission from the field of establishment control. The Civil Service Commission has abandoned its former technique of unit surveys covering organization, establishment and classification, in favour of

- (a) surveys to set class standards (by the Pay and Standards Branch),
- (b) studies to classify positions according to standards (by the Operations Branch), and
- (c) advisory organizational, and management analysis, studies (by the Advisory Services Branch).

147. These changes imposed a clear responsibility upon the departments to formulate, initiate and implement programmes:

- (a) to review and plan organization;
- (b) to set staffing standards and to apply them, both for internal control purposes and for external justification;

- (c) to prepare accurate job descriptions to permit the Civil Service Commission to classify positions with the minimum of delay.

148. The objective of a Staff Control function is to achieve the optimum balance between economy in staff and the effective performance of the department's work. The control of numbers (i.e. establishment), position classification, organization, and work methods are functions that contribute directly to efficient Staff Control.

149. These functions are elements of every supervisor's job. In order to be held responsible for performance, line managers must bear the responsibility for the decisions that are made in these functions. The skills and time required for the effective performance of these control functions call for the employment of staff specialists to make studies which require specialized knowledge and techniques, and to recommend measures to be adopted by line managers.

150. Two basic questions about the Staff Control functions should be answered in all departments and agencies:

- (a) whether the need for authority and responsibility for staff control and economy is clearly recognized; and
- (b) whether the authority and responsibility is properly assigned within the departmental organization.

151. Personnel staff must recognize the needs of management and, at the same time, be concerned with the employees. There is general agreement that under this dual orientation, the authority and responsibility of the Chief of Personnel properly includes:

- (a) formulating, for the approval of the Deputy Head, departmental policies which conform to the Civil Service Act and Regulations and other statutes and regulations governing personnel administration;
- (b) planning, developing and implementing in collaboration with line officers, the following types of programmes; induction, training, development, appraisal, welfare and counselling;
- (c) defining departmental procedures for, and participating in, the recruitment and selection of staff;
- (d) participating in the processes of promotion, transfer, appeals, and retirement;
- (e) formulating departmental practice, and record keeping procedures, for attendance, leave, pay, safety, and suggestion awards, and providing central services as required;



- (f) maintaining close liaison with the Civil Service Commission;
- (g) handling staff relations;
- (h) administering wage-determination matters unique or peculiar to the department.

152. A problem arises when one considers the role of the Personnel Unit in the two main areas where departmental staffing can be viewed both as a cost item, and a personnel item, namely:

- (a) establishment determination and control;
- (b) classification and job description.

153. The outline of appropriate functions for a Chief of Personnel portrays a definite and major role to be filled within that area of interest represented by the people of the department. It is an accepted principle that establishment, job description and classification relate to positions rather than people, that is, they relate to the administration and control of staff as a cost item, rather than as a personnel item.

154. Were this principle to be followed, there appears to be no valid reason why the Chief of Personnel should continue to have a duality of interest in departmental manpower. In fact, it could be argued that the role of control could handicap his true role.

155. There are cases where the man makes the job and this occurs more frequently in managerial and creative posts. The fact that an incumbent may change the duties of his position, does not, of course, alter the basic principle that the position should be reviewed for classification purposes. It does, nevertheless, introduce an element of personnel, in the sense that the individual concerned may be, and quite often is, promoted into his changed and reclassified position. But the two actions of classification of positions and promotion of individual persons remain separate in law and in principle.

156. In summary, therefore, it is concluded:

- (a) that there is a clearly established need for formal Staff Control functions within the departmental organization;
- (b) that a greater awareness of the need for staff economy within departments needs to be developed; and
- (c) that Personnel has a sufficiently broad and distinct role to fulfil in regard to the people of the department.

It is thus concluded that the Staff Control function should be a distinct organizational entity within each department.

157. The authority and responsibility of a Staff Control Unit should properly include:

- (a) formulating, for the approval of the Deputy Head, departmental policies and procedures for the efficient allocation and use of manpower;
- (b) developing organization plans in collaboration with line management and with the assistance of specialists from inside or outside the agency;
- (c) developing improved work methods in collaboration with line management and with the assistance of specialists;
- (d) developing staffing standards in collaboration with line management and with the assistance of specialists, as required;
- (e) reviewing and controlling staff requirements and staff utilization against established standards;
- (f) directing the preparation of job descriptions and reviewing such descriptions;
- (g) maintaining liaison with control agencies.

158. Staff Control, either as a function or a unit of organization, properly belongs to the Administration wing of the department. It should be one of the Deputy Head's means of achieving efficient management throughout his department. However, the exact location of the function will depend on the type and the size of the department.

159. Generally speaking, the function belongs with that group in the organization which is responsible for Budgetary Control. Here it is necessary to make a distinction between a Budgetary Control operation which, on behalf of the Deputy Head, exercises control over the allocation and use of *all* resources available to the department, and an accounting unit which records financial transactions. Where the financial section of a department is only an accounting unit, this would not be considered the proper location for Staff Control. In such a situation, the Staff Control function or unit would properly belong with the Administration group of the department.

160. In the small department or agency, the head of Administration could thus be personally responsible for Staff Control or he may delegate the responsibility to one of his officers. If staff or manpower were the main item of expenditure, the department would be unlikely to have a budgetary control unit, or even an accounting unit, but may have a Personnel unit. In that situation, the Staff control function might properly be assigned to the Personnel unit but as a distinct function.

161. In intermediate and large size departments, where the organization of administration is well developed, the appropriate location of Staff Control is with Budgetary Control. If manpower is the dominant element of cost in the department, Staff Control would naturally be the dominant aspect of the Budgetary Control Unit.

162. In a single purpose department, Budgetary Control (including the staff control function) can be placed at the first level of reporting, that is, directly under the Deputy Head. Personnel would, similarly, report to the Deputy Head who would then assume the responsibility for co-ordination. This arrangement is feasible and appropriate where the Deputy Head can act as chief executive and senior administrator of the department or agency.

163. Many departments and agencies with several major functions have their central administrative services and controls grouped in an Administration wing. This is done to maintain a workable span of control for the Deputy Head and to achieve unified direction over all parts of management. Within such a plan of organization, Budgetary Control (including Staff Control) reports to the head of Administration, as does Personnel and other central management services. This arrangement facilitates the co-ordination of Personnel and Staff Control for the purpose of planning major increases and decreases in manpower.

164. The following conclusions are drawn from the analysis made herein:

- (a) Staff Control should be a distinct function in all departments;
- (b) It should be assigned to a unit of organization responsible for:
  - (i) organization, (ii) establishment, (iii) work methods and standards, and (iv) job descriptions;
- (c) It should, desirably, be distinct and separate from the Personnel Unit;
- (d) It should be associated with the function of Budgetary Control;
- (e) It should, as part of Budgetary Control or as the dominant element of it, be located at a high level in the organization;
- (f) In departments which have an Administration wing, it should be one of the major functions of this group and should report directly to the head of the group.

## Administrative Inspections

165. Headquarters' specialists must have techniques to ensure that field operations are conducted according to the policies and procedures for which the specialists are responsible. The need for these techniques is common to specialists in statutory functions and specialists in administrative services, and should be provided for in the agency's organization.

166. One important tool for checking whether events conform with plans is the inspection of field units by Headquarter's officers. This inspection can take any one or a combination of three forms:

- (a) It can consist of uncoordinated visits to field units by individual functional officers who travel to whichever units they believe need review whenever they feel it necessary. The flexibility of such a plan is desirable but it may subject a field unit to a stream of Headquarters' visitors, each disturbing the normal operations of the unit. A further disadvantage is that there is no assurance that all units are being adequately reviewed.
- (b) It can consist of regular and scheduled inspections by a group of, or individual, permanent inspectors, organizationally separated at Headquarters from the specialist units whose field functions are being inspected. While this preserves the inspector as an unbiased observer, there is the possibility that the inspectors will lose touch with developments in the specialist groups and after a time, may not have the knowledge needed to carry out useful inspections.
- (c) A third system is to establish an inspection schedule which balances the needs of the various specialist groups and to have each specialist group nominate a representative to a team which will inspect each field unit according to the agreed schedule. This plan ensures that inspections will be carried out by knowledgeable personnel and that they will be conducted regularly. It also serves to bring together Headquarters and field officers with common interests. Its most serious disadvantage is that it will place unduly heavy demands on the time of specialist officers, particularly when there are many field units to be inspected.

167. Whichever scheme is adopted, overall responsibility for the inspection system should be allocated to a senior officer. If the frequency and nature of inspections is left to individual branch heads, a central record should be maintained of field visits and their purpose. If it is decided that a permanent



inspectorate is needed, it too should report to someone with authority to ensure that action is taken where indicated, regardless of the branch concerned. If team inspections with nominated officers are carried out, authority should rest with an officer who has transcendent authority. Administrative details under this system might be delegated to a staff officer who reports to the responsible senior officer.

### **Purchasing, Contracting and Stores Control**

168. Strict procedures are prescribed by the Treasury Board for purchasing and contracting by government agencies. The aim is not only to ensure reasonable efficiency and economy but also to ensure fairness and integrity.

169. Purchasing and contracting may take place at any one of three levels in the federal service. Many common goods and services are purchased by an agency established to serve the whole federal service. Thus, all stationery and office machines are procured by the Department of Public Printing and Stationery, furniture by the Department of Public Works, defence equipment and supplies by the Department of Defence Production, and so on. The primary advantage of central purchasing is lower prices through quantity orders or standardization. Economies effected for these reasons may be partially lost by the delays inherent in having a service supplied centrally and because the goods so procured do not always meet the needs of the customer agencies.

170. The second level at which purchasing decisions can be made is at agency headquarters. By centralization of authority within a department, it is possible to enforce agency standards and to obtain lower prices for items in common use throughout the agency. The third level is at field locations within an agency, which is usually known as "local purchasing".

171. Whatever the level at which purchasing and other contractual decisions are made, it will be found that stringent controls are normally in effect, for the reasons given in the first paragraph of this section.

172. The procurement function has two major decision areas and, if it is to be properly organized, attention should be paid to the distinction between the two. The first area is that of determining need. In theory, this determination is one which does not belong in the purchasing unit proper and should be made by line officers. It involves ensuring the availability of funds and of choosing from among alternatives in the use of these funds, i.e., deciding what to buy. In practice, however, purchase requisitions are usually subject to a screening process

by the purchasing unit before being processed. For supplies that are being replenished, the purchasing unit may require consumption and inventory data to support the requisition. For new items of equipment, the purchasing unit might enquire as to whether the performance specifications given on the requisition are minimum or maximum, whether substitutes are acceptable, and so on. In some cases, the submission of a purchase requisition merely serves to activate discussions between the requestor and the purchasing agent prior to purchasing negotiations being undertaken.

173. It is important to identify and explore the way "need" is determined. If line officers are permitted to dictate to the purchasing division, there is a danger that adequate but less expensive substitutes will be overlooked. On the other hand, if the purchasing division is permitted to dictate to line officers, there is a danger that equipment and supplies will be forced upon the operating elements that do not meet their precise needs. Since the major purpose of the purchasing division is to meet the needs of its customers, the ultimate authority for "need" must rest with the officers responsible for the operations in which the material will be used, and the purchasing agent must be restricted to an advisory role. This is an area where the principle of compulsory staff service is particularly applicable; it can be made mandatory that the Purchasing Agent be consulted with regard to new requirements, as soon as the need arises, but that the right would be reserved to the line officers to accept or reject any advice they were given.

174. The second area is purchase and contract negotiations and order-placing. This is a highly specialized function and requires a good knowledge of available suppliers, market conditions, and tendering processes. For this work, the organization of the purchasing unit must be moulded to the characteristics of the buying involved. Where the volume of work and the size of the expenditures so warrant, it may be best to employ buyers who are specialists in the purchase of particular commodities and to divide the work on a commodity basis. In other situations, better service may be supplied by giving buyers particular units of the agency to service. In any case, buyers should be freed from much of the detailed checking, record-keeping and routine follow-up that inevitably accompanies the purchasing process.

175. Local purchasing is a microcosm of the "centralization-decentralization" dilemma and delegation of authority varies markedly among agencies. In general, however, three choices are available:

- (a) for urgent needs, full local purchasing authority is granted;

- (b) for specified items, local purchase negotiation is authorized but recommendations must be submitted to Headquarters for approval; and
- (c) for all remaining needs, Headquarters negotiation and placing of orders is prescribed.

Authorities are usually restricted by specifying financial approval limits at various decision-making levels.

176. Stores and inventory control are closely allied to the purchasing function and although it may not be desirable in all cases to make them the responsibility of the purchasing unit, it is structurally sound to have them report to the same officer to whom the head of the purchasing unit reports.

177. Similarly, activities concerned with central procurement agencies should also be organized in close association with purchasing and stores, i.e., the procurement of stationery, office machines and printing from the Department of Public Printing and Stationery, the procurement of furniture and office equipment from the Department of Public Works, and so on. It is an organizational imperative that these interlocking functions be made the major responsibility of a single senior officer.

## Chapter 7

### COMMITTEES AND MEETINGS

"One of the most ubiquitous and controversial devices of organization is the committee. Whether referred to as a committee, board, commission, task group, or court, its essential nature is the same. For the committee is a group of persons to whom, as a group, some matter is committed. It is this characteristic of group action that sets the committee apart from other managerial devices."<sup>1</sup>

178. Committees, as an organizational device, are frequently misused but, in justified situations, are an important element of good organization.

179. In the government service, there are many instances where a committee is used as a plural manager. The Civil Service Commission, the Unemployment Insurance Commission, the National Harbours Board, and others, are made up of full-time commission members who exercise, jointly and severally, authority over an agency. Where a committee of this kind is used as a plural manager, two further dimensions are added to the problem of effective organization, namely, the division of responsibilities, if any, among the 'committee' members, and the authority relationships between them and the departmental branch heads, jointly and severally. Clarity in the delegation of authority is always desirable even with a single agency head; with a plural executive it is essential if the attainment of agency objectives is to be achieved smoothly. In some cases, an executive director is appointed whose duty it is to implement and administer the agency programme and provide unity of command at one level below the plural executive. Where this is done, there is the risk of short-circuiting the executive director both by subordinates who want to appeal to higher authority and by the plural executive themselves who are tempted to intervene in the course of events during the implementation or administration of particular programmes.

180. Inter-agency and intra-agency committees can be formal and continuing, in which case they should be shown

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<sup>1</sup> H. Koontz and C. O'Donnell, *Principles of Management*, McGraw-Hill, 1959, p. 224.



as units of organization in organization charts. Such committees ordinarily have terms of reference which can be examined and related to specific objectives and it is usually possible to estimate their cost because the length and frequency of meetings and their composition are known. Similar analyses, with perhaps less precise results, can be made of informal committees.

181. The potential inefficiencies arising from the use of committees are as follows:

- (a) their cost in time and money;
- (b) their tendency to arrive at compromise solutions which may prove unsuitable;
- (c) their indecision and tendency to procrastinate;
- (d) the domination of a committee by a single individual, often its chairman, so that the committee as a decision-making group of equals is destroyed and is replaced by a single leader with a group of followers;
- (e) the dispersal of authority among committee members: where all are responsible, no one is;
- (f) the tyranny of the minority, particularly where the committee seeks unanimity or a consensus in its decisions.

182. Committees can also be misused, in the following ways:

- (a) in place of a manager;
- (b) as a research or study device;
- (c) for making relatively unimportant decisions;
- (d) for decisions beyond the authority or competence of its members.

183. In spite of all these dangers and abuses, there is no doubt that properly constituted committees are essential and this is particularly so when the subject matter requires decisions which reflect assorted points of view. If the scope and authority are well-defined, if the membership is appropriate to the subject matter, if it works from a well-prepared agenda, if it has a good chairman, if committee decisions are circulated, after meetings, to its members, and if the cost is warranted by the nature of the decisions made, then a committee is justified. When the foregoing criteria have been met, committees provide a decision-making process which can be matched through no other organizational device. It is important to remember, however, that resultant decisions are of high quality because the committee was properly constituted, not because they were made by a committee.

184. Committees function through meetings, but meetings are not an exclusive tool of committees. Meetings can be valuable, and sometimes indispensable, for disseminating information, for clarifying issues, for obtaining divergent viewpoints and for co-ordinating operations. The frequency and nature of meetings are therefore a concern in organization analysis, not only to identify the frequency of unnecessary meetings, but also to determine whether unilateral decisions are being made where participative decisions would be superior.

## Chapter 8

### CONCLUSIONS

185. All on-going institutions are dynamic, their objectives are frequently changing in both scale and purpose, new pressures and new diversions of effort repeatedly occur, and the relationships (both formal and informal) among personnel are as variable and changing as human beings themselves. It might therefore be concluded that totally efficient organization is something which exists only for a fleeting moment provided the effort has been made to achieve it. Fortunately, a sound organization structure can have a greater degree of "permanence", but the maintenance of sound organization does demand regular review and analysis.

186. An attempt has been made in this manual to discuss those aspects of management which are believed to be pertinent in the development of efficient organization structures within the government service. Formal organization is inevitable whenever the attainment of an objective requires the efforts of more than one person; nevertheless, it has not been possible to develop hard and fast rules of organization which have universal application, and all experience has confirmed that organizational perfection is elusive.

187. As stated in the preface to this manual, organization can be simply defined as the harmonious inter-relationship of functions and personnel directed toward the efficient attainment of clearly established objectives. Without precise and meaningful objectives, an organization has no unity of purpose. Without specialization, expert attention to the various tasks involved in attaining the objectives is unlikely to be obtained. Given clear objectives, and efficient arrangement of the functions for reaching the objectives, it is then necessary that effective direction and co-ordination be provided both from the apex of the institution and from the occupants of the principal positions. The desired harmony among the personnel of an organization is, to a significant extent, the product of individual understanding of purpose and role, and collective understanding of the total structure and of the interdependence of its several parts.

188. An organization, in the formal sense, is a network of positions inter-connected by lines of authority or communication. Organizing, on the other hand, is the selection and placing of persons for the purpose of carrying out the duties prescribed for the individual positions. Informal organization is the term used to describe the working relationships which occur among the individual position holders. These relationships are almost impossible to prescribe or govern in depth but when, in operation, they are fundamentally at variance with the formal structure, the organization is likely to be both confused and erratic in its day-to-day operations. In such a situation, the organization is clearly unsound, and changes are needed. Unsound situations can sometimes arise merely from the failure to prescribe objectives and define duties and responsibilities, and if corrective action is taken and the required formal relationships are established, then the problems may be eradicated. In any event, periodic analyses will serve to reveal the existence of structural deficiencies in the formal organization.

189. Major organizational changes are seldom simple to implement and the full implications of change are rarely foreseen. Changes in formal structure are relatively easy to define and justify; but the consequential changes in informal relationships among the people involved may create many difficulties. These difficulties can be minimized if the people concerned are regarded as unique individuals rather than mere position holders. Adequate understanding can often be achieved provided changes are made the subject of frank and open discussion and explanation. Conversely, the indefinite postponement of necessary changes as a means of avoiding the disruption of individuals, is likely only to aggravate the situation and weaken both the sense of purpose and the unity of the institution as a whole.

190. There is ample evidence that an inefficient organization structure is costly, is damaging to morale, and is unlikely to attain the declared objectives. An organization, however, is not merely a mechanical arrangement of abstract tasks and responsibilities; it is a framework within which persons are expected to contribute to the making of a product, the provision of a service, or the realization of an ideal. Good organizations are those which are well-conceived in structural terms, fully understood by the people employed in them, and systematically subjected to review and change when circumstances or the laws of the situation make this necessary.



## ORGANIZATION REVIEW AND ANALYSIS

A Description of the Service  
provided by the

ORGANIZATION DIVISION  
ADVISORY SERVICES BRANCH  
CIVIL SERVICE COMMISSION OF CANADA

Ottawa, Canada

November, 1961

### Origin and Purpose of the Organization Division

The Organization Division was established within the Advisory Services Branch as part of a general reorganization of the functions of the Civil Service Commission in October 1960. The purpose of the Division is to provide a specialized service in organization analysis to all departments and agencies of government, and to do this as part of the services referred to in Section 6(c) of the Civil Service Act, 1961.

In its first year of operation the Division has conducted a number of studies which indicate the acceptance of and need for such a service. These studies have confirmed the principle that an organization structure cannot remain static in the face of growing or changing functions without lowering the morale of its employees and inducing inefficiency. To a senior administrator faced with the problem of deciding just what changes are needed in the structure under his control, the Organization Division offers expert, independent and objective advice. A study will be made at the request of a deputy head and the resulting report will be made to him as prescribed by the Act (Section 6(c), Civil Service Act, 1961).

The Division is staffed by a small group of analysts who are trained and experienced in evaluating organizational efficiency and developing improvements wherever necessary. Each analyst can devote his full attention to an organization under study. His major task is to supply the administrator with answers to the following typical basic questions:

Are the functions grouped logically within the organization?

Do the personnel have sufficient authority for the fulfillment of their responsibilities and for clearly establishing accountability?

Are administrative controls adequate to serve legitimate purposes without being excessive?

Are there avoidable conflicts between staff and line positions?

Is the span of control of each manager appropriate for the situation?

Is there an excessive number of managerial levels in the organization?

What purposes served by the organization, and what external influences and other factors need to be considered in reorganization?

## **Procedural Steps in Organization Studies**

The particular techniques that are applied in any study must necessarily depend upon factors that become apparent only when a study is being planned between a department and the Organization Division. The general procedures that will commonly apply to most studies, however, can be described.

Following the decision to perform a study, one or more analysts are assigned to the job. They immediately begin a process of self-education to become familiar with the functions and structure of the department. Early meetings are held with senior officers of the department to attain an agreement on the purposes and scope of the study, and to determine a tentative schedule for its completion. It is desirable at this stage that all personnel in the organization be officially informed of the study, its purposes, procedures, and schedule, and that they be invited to co-operate whole-heartedly in the study. Most studies proceed quite rapidly through this initial phase.

The second phase of the study consists of detailed fact-finding. The analyst must obtain a complete picture of the activities of all components of the department and of the authority relationships that exist in the organization. Generally, this information is obtained through personal interviews with key personnel, although questionnaires may be used to supplement this technique. Opinions on problems and suggestions for improvements from members of the organization are invited and are evaluated by the analyst. It is emphasized that the analyst does not appraise the efficiency of individual employees; on the other hand, the efficiency of a group may be one indicator of a strength or weakness in the structure that is being examined.

The third phase will gradually emerge from the second. This is essentially a period of analysis in which the organizational problems are identified by the analyst from the data accumulated in the previous research, and possible solutions are conceived and assessed. The conclusions of the analyst and his tentative solutions are subjected to constructive criti-

cism by senior departmental officers and by other members of the Organization Division. Further research may then be conducted to confirm or destroy doubtful conclusions. Every attempt is made at this stage to obtain the agreement of departmental officials on the main issues and acceptance of the proposed solutions before the final report is written.

The concluding phase of a study in which a comprehensive report is prepared often appears anti-climactic to the preceding stages. The written report does serve several useful purposes, however. It is a valuable final test of the analyst's logic in identifying problems and in developing relevant solutions; it provides the only reliable record of proposals that may not be implemented in some instances for some time; and it also provides a useful beginning point for any subsequent study of the organization. The factual accuracy of the report in draft is checked in the department before it is finally edited, and then a final report is transmitted to the responsible agency that requested the study.

## **Follow-Up**

Since the Organization Division is an advisory body, the responsibility for implementing its recommendations ultimately lies with the executive officers who are accountable for the organization and its functions. By the same token, the Organization Division willingly accepts any reasonable restrictions placed by the department on the dissemination of information and on the distribution of the report.

The "human factor" is frequently a paramount consideration in scheduling organizational changes, and the impact of a reorganization upon valuable employees must, therefore, be weighed by management. The Organization Division is available at this stage, however, to advise on problems of implementation and to devise any intermediate steps that may be required.

A periodic report on the action taken on the recommendations is requested by the Organization Division so as to obtain a careful assessment of the value to the department of the study and recommendations over a reasonable period of time.

## **Conclusion**

Intelligent changes in organization ensure that the public service remains well adapted to the changing purposes and functions of government. A well managed and dynamic organization develops and sustains the enthusiasm and motivation of its personnel, and it assures that the maximum service to the public is obtained from the resources of government. The Organization Division exists to aid Departments and Agencies to achieve these objectives.

## A SELECTED BIBLIOGRAPHY ON ORGANIZATION

Prepared by

ORGANIZATION DIVISION  
ADVISORY SERVICES BRANCH  
CIVIL SERVICE COMMISSION

October 1962

### A SELECTED BIBLIOGRAPHY ON ORGANIZATION\*

#### Traditional Principles of Organization and Management

*Classics in Management*, H. F. Merrill (Editor), American Management Association, New York, 1960.

This book is composed of selected writings by 15 outstanding early contributors to the art of managing large enterprises. The conceptual development of management in Europe and the United States during the nineteenth century and early decades of the present century is portrayed. Some of the authors included are Frederick W. Taylor (the advocate of scientific management), Henri Fayol, and Mary Parker Follett; the book concludes with descriptions by Elton Mayo of the famous Hawthorne and other industrial studies that illustrated the importance of human relations in management.

*Papers on the Science of Administration*, L. Gulick and L. Urwick (Editors), Institute of Public Administration, New York, 1937.

The editors are two outstanding students of organization who have compiled in this book short papers from their own writings and from those of seven other authors. Collectively, these papers constitute an excellent introductory text to the traditional principles of organization based, in the main, upon the purposes to be served and the functions to be fulfilled in organized enterprise.

*General and Industrial Management*, Henri Fayol (translation by Constance Storrs), Pitman and Sons Ltd., London, England, 1949.

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\* Additional reading lists are obtainable from the Management Analysis Division of the Civil Service Commission which cover a wide variety of topics in the broad field of administrative improvement.



This is an English translation of a paper written by a French industrialist, Henri Fayol. Whereas his American contemporary, F. W. Taylor, advocated an analytical approach to systems and organization at the working level, Henri Fayol applied the same approach to the organization of top management. This book, originally published in French in 1916, is one of the best early books on the traditional principles of organization and management.

*Freedom and Co-ordination: Lectures in Business Organization* by Mary Parker Follett, L. Urwick (Editor), Pitman, London, 1949.

A contemporary of Taylor and Fayol, Mary Parker Follett added to the scientific approach an insight of the importance of human relations in organized enterprise. This book explores the unifying influences that can be fostered to attain co-ordinated and cohesive organizations.

*The Functions of the Executive*, C. I. Barnard, Harvard University Press, Cambridge, Mass., 1938.

Mr. Barnard's books reveal the concentration of a great and perceptive mind upon his own experiences as a senior executive. At various times, he served as the president of the New Jersey Bell Telephone Co., president of the Rockefeller Foundation, chairman of the National Science Foundation, and as the senior relief administrator of the State of New Jersey.

This book is a study of the executive's role; while it reveals the author's attachment to the order and predictability of the formally prescribed organization, it also reveals his own perception of the social and psychological influences on the human constituents.

*Principles of Management*, H. Koontz and C. O'Donnell, McGraw-Hill Book Co. Inc., New York, 1959.

This book is strongly oriented towards the practical day-to-day problems of management. More than most other books on the subject, it is a text that answers questions about the "what" of administration. The book re-states the principles of management in terms of their present expression and application in most large organizations, and the value of the book is increased by many concrete examples it cites of current practices.

This book is a source of good examples, models, and solutions, that can be useful to anyone faced with the immediate problems of management; the organization of the book in parts, dealing with "The Basis of Management", "Organization", "Staffing", "Direction", "Planning", and "Control",

makes it a handy reference. It does little, however, to elucidate the basic phenomena on which good management rests. The authors are faculty members of the Graduate School of Business Administration, University of California.

*Administrative Behaviour*, H. A. Simon, MacMillan Co., New York, 1947.

Professor Simon's objective in this book is to provide useful concepts and terminology for describing the ways that organizations work. Dominant subjects are the psychology of decision-making, the nature and role of authority, communication, and organizational loyalties. The book develops a general concept of administration beyond the common expressions of the principles of organization, some of which are criticized as imprecise and conflicting. Fortunately, although the subject is rather abstract, the clarity and order of the exposition make the book a useful tool and guide for thought.

*The Practice of Management*, P. F. Drucker, Harper and Brothers, New York, 1954.

The author, a leading American management consultant, reveals in this book his attachment to a pragmatic "management by objectives". At the theoretical level, the common principles of organization are either discounted, or subordinated to an emphasis upon the integrity of the individual: the latter theme is expressed in the author's advocacy of challenging jobs, the liberal delegation of authority, self-control, and of social and moral responsibility in organizations. At the concrete level, the book is filled with apt illustrations from American companies which collectively emphasize the need for dynamic change in organizations.

### **Modern Principles of Organization and Management**

*Personality and Organization*, C. Argyris, Harper and Brothers, New York, 1957.

This book advocates the application of the social sciences to human relations in organization. Also identified are implications of psychology and of social psychology, or the study of small group inter-actions, to organizational behavior. The author concludes with several suggestions on how to achieve the capacity for effective leadership, and stresses the need for uninhibited self-insight if the goal is to be achieved.

The author is Associate Professor of Industrial Administration at Yale University.

*Exploration in Management*, W. Brown, John Wiley and Sons, New York, 1960.

The author, the Managing Director of a manufacturing company in Great Britain, writes from the point of view of a practising executive who has encouraged exhaustive analysis and experimentation by social scientists in his own organization. The book, which is based on the experience gained in the author's organization, stresses the importance of dynamic change in organizations, and of organizing by purpose and available resources rather than by personalities.

*The Human Side of Enterprise*, Douglas McGregor, McGraw-Hill Book Co. Inc., New York, 1960.

This book contrasts the traditional assumptions of authority and control in organization with the concepts emerging from recent research in management. The limitations inherent in the former are examined, namely: resistance by subordinates, indifference to organizational objectives, refusal to accept responsibility, inadequate motivation, and other consequences. The means by which the members of organizations can be motivated strongly towards organizational objectives, and the importance of personal values and objectives in the process, are emphasized.

The author, a psychologist, is a past president of Antioch College and is now Professor of Management at the School of Industrial Management, Massachusetts Institute of Technology. Doctor McGregor is also renowned for his research conducted within industrial organizations.

*New Patterns of Management*, R. Likert, McGraw-Hill Co. Inc., New York, 1961.

This book should be read in conjunction with Dr. McGregor's book, since it complements the latter in advocating participative management. Dr. Likert's book is much less concerned with the principles of organization than it is with the means employed in management to plan its objectives, to achieve these, and to measure and control performance in organizations. The positions advocated in this book are well documented with the results of field research.

The author is the Director of the Institute for Social Research and Professor of Psychology and Sociology at the University of Michigan.

*Creative Management*, N. R. F. Maier and J. J. Hayes, John Wiley and Sons, New York, 1962.

*Creative Management* is another lucid plea for participative management. It rationalizes this concept in terms of

employees' needs in present society, the motivation of subordinates, the quality of decisions, and ultimately in economic terms. Among the most interesting parts of the book are the transcripts of three experimental conferences conducted under different forms of leadership; a survey of the leaders and participants followed to compare the effects of autocratic, pseudo-democratic or manipulative, and participative forms of direction and control on the involvement of the members and on the quality of their decisions.

Professor Maier is a psychologist at the University of Michigan and Mr. Hayes is the head of management training for United Air Lines.

*Organizational Change: The Effect of Successful Leadership*, R. H. Guest, The Dorsey Press Inc. and Richard D. Irwin Inc., Homewood, Illinois, 1962.

Dr. Guest documents in this book the conditions that applied before, during, and after a marked improvement in the production and efficiency of an automobile-assembly plant. The focus of the book is on the effects of a new manager's techniques on human behaviour and relationships in the company. The book illustrates that the way that the managerial functions are performed should be examined even when no change is indicated in the allocation of duties, responsibilities, and authorities.

## **Public Administration**

*Government of Canada*, R. M. Dawson, University of Toronto Press, Toronto, 1957.

*Democratic Government in Canada*, R. M. Dawson, Copp Clark Co., Toronto, 1957.

The first is the most complete book to date to describe the machinery of the Government of Canada. The book can be summarized by listing the titles of its parts: Constitutional Development; The Constitution; The Executive; The Administration; The Legislative; The Judiciary; Political Parties.

The second book is a condensed version of the first. In addition to the subjects covered in the former, the latter also includes chapters on provincial and municipal government.

Dr. Dawson was Professor of Political Economy at the University of Toronto.

*Democratic Government and Politics*, J. A. Corry and J. E. Hodgetts, University of Toronto Press, Toronto, 1959.



This complements Dr. Dawson's books by examining the fundamental issues of democratic government with reference particularly to the United Kingdom, the United States, and Canada. Not only does it describe the forms of democratic government in these countries, but it also elaborates their justification, and identifies many of the destructive forces in democracies. The authors are political scientists on the faculty of Queen's University.

*Canadian Public Administration*, J. E. Hodgetts and D. C. Corbet, MacMillan of Canada Ltd., Toronto, 1960.

*Canadian Public Administration* is a collection of papers on both the theoretical and practical issues of public administration. The book is divided into five parts that deal in turn with "Definitions and Concepts"; "The Structure of Administration: In Theory"; "The Structure of Administration: In Practice"; "Personnel Management"; and "Administrative Powers and Responsibility".

The book contains 52 papers with a nice balance between theory and the pragmatic. This is an unusual reference book that contains something for every public servant.

*Basic Issues in Public Administration*, D. C. Rowat, (Editor), MacMillan Co., New York, 1961.

Dr. Rowat, Professor of Political Science at Carleton University, has created a unique book by selecting conflicting points of view on forty current issues in public administration. The selected papers have been abridged in many cases to exclude those parts that were extraneous to the questions chosen by the editor. This is an excellent reference book, either for the student or the administrator, and provides the opposing points of view on many common issues.

### **Published Papers, Prepared in the Organization Division**

*Organization Theory and Practice*, S. H. Mansbridge, Canadian Public Administration, vol. IV, no. 3, 1961.

*Techniques for Analysing Organization Problems*, H. L. Laframboise, Canadian Public Administration, vol. V, no. 2, 1962.

*The Evolution of the Organization of Federal Government in Canada*, J. M. DesRoches, Canadian Public Administration, vol. V, no. 4 (in press), 1962.

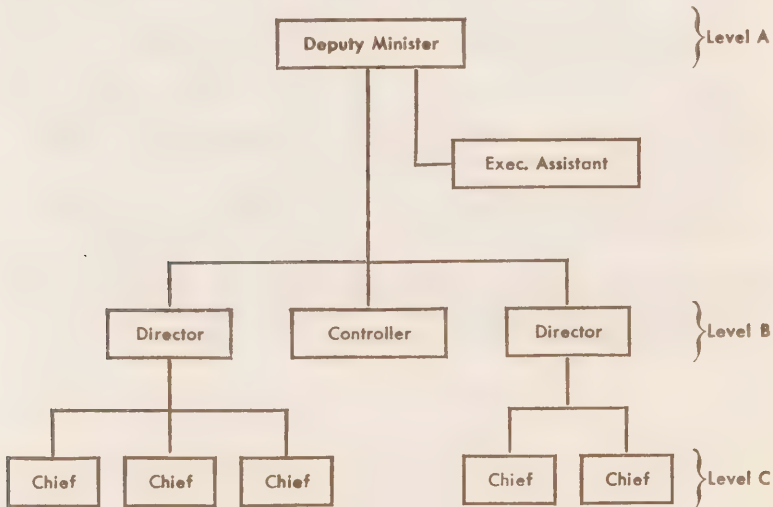
## ORGANIZATION CHARTS

A useful tool of organization planning is the organization chart, which depicts the way in which the various units in an agency are related to one another by principal authority relationships. The existence of a chart is evidence that some attention has been given to organization planning; the absence of charts may indicate that authority relationships have not been determined.

Charts have several limitations: they show formal relationships only and overlook important informal lines that are essential in any dynamic organization; they give no indication of the *amount* of authority that flows along any particular line or resides in any particular position; they often show authority relationships as they are *supposed* to be and not as they really are.

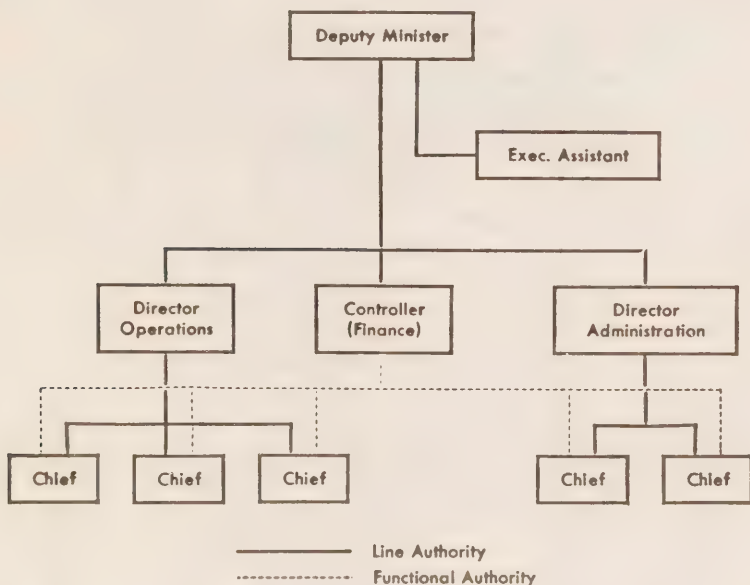
In order to be effective tools of planning, organization charts should be supplemented by comprehensive statements of the authority and responsibility of each position in the structure, and of the functions and duties for which the incumbent of each position is held accountable. The supplementary statements are variously called "Statements of Duties", "Position Descriptions", or "Management Guides".

The common form of organization chart is the block chart which is designed according to the following general pattern:



Each block represents a position in the structure and each connecting line a superior-subordinate relationship. The attempt is usually made to put officers of equal status (salary, authority, etc.) at the same level but it is not always possible or practicable to do so. In the foregoing chart, for example, the Executive Assistant might well have a lower status than a Chief at Level C but the position is shown at a level much nearer the Deputy Minister. Levels on the chart, therefore, may not conform with levels of importance.

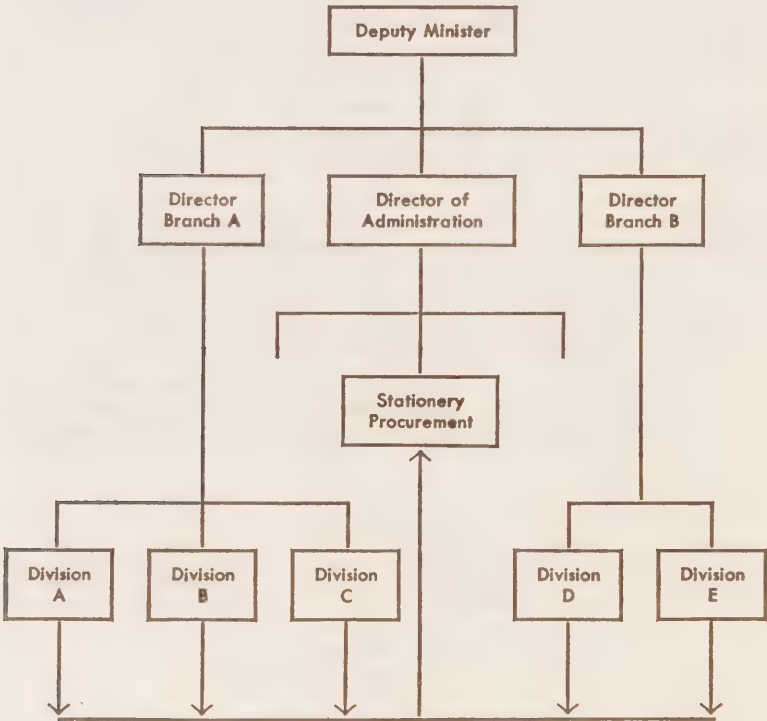
Sometimes a chart is drawn to show not only line authority relationships but functional relationships as well, and the latter are normally depicted by dotted lines. Using the details from the chart above, functional authority might be shown as follows:



This chart indicates that the Controller prescribes financial and accounting policy and procedures for all Division Chiefs even though they are responsible for their overall performance only to their respective Directors. Showing functional authority relationships by dotted lines is subject to the law of diminishing returns as far as clarifying the organization structure is concerned. When there are many units with agency-wide functional authority (purchasing, personnel, accounting, etc.) the dotted lines become so numerous that they are more confusing

than they are illuminating. Coloured lines are sometimes resorted to in the interests of clarity but these too can be overwhelming if used in profusion.

If an organization structure contains a service unit which provides an on-demand service for many "customer" units in the same agency, it is in a position of being subject to their authority. Charts are sometimes drawn to represent this situation through the addition of "arrowheads" to certain authority lines. A stationery procurement unit, for instance, could have its authority relationships brought into focus with the following chart:



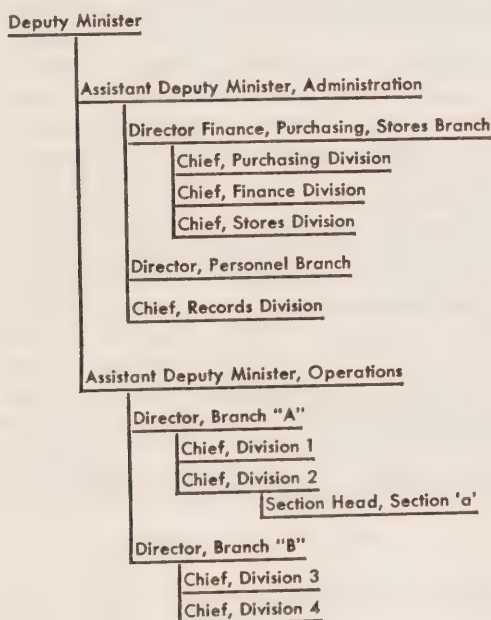
Thus the stationery procurement unit is responsible to the director of administration for its overall performance but must, within prescribed policy limitations, take its orders from the divisions it has been set up to serve. Once again, clarity demands a sparing use of such symbols as arrowheads. They tend to lose their visual impact proportionally to the number of times they appear on a chart. In the foregoing chart, if arrowheads were added at every point where an authority



line touched a position block the significance of the stationary procurement unit's relationship to customer divisions would be lost.

Many bizarre forms of organization chart have been used in attempts to give a better picture of an organization structure than is possible with the simple block chart. One form represents the Chief Executive as a circle at the centre of many radiating lines, at the end of which are arc-shaped blocks representing subordinates; another form simply inverts the traditional pyramid shape of the simple block chart, giving the effect of the Chief Executive carrying the whole structure on his shoulders.

Two particular types of specialized chart have been found to be very useful. The first of these is the line chart (also referred to as the scalar chart), which is designed at follows:



Line or scalar charts are probably the simplest method for recording authority relationships during organization planning or analysis. They can be drawn quickly, need no rulers or other special tools and, most important, can show authority relationships sequentially without any need for knowing in advance the ultimate length and complexity of the structure being

recorded. Another important use of line charts is in manuals: they can be revised and reproduced by typewriter and convey a maximum amount of information in a minimum amount of space.

The second useful charting technique, particularly for recording authority relationships, is "linear responsibility charting" or "decision location charting". This chart gives a graphic representation of the responsibilities of individual officers with respect to specific actions. In the following sample, proposal action is shown as PROP, recommending action as REC, consultation as CON, decision as DEC, information as INF, and reviewing action as REV. The action to be taken by individual officers in the process of establishment change might be recorded as follows:

Activity	Director of Operations	Chief of Personnel	Estab. Control Officer	Director of Admin.	Deputy Minister	Treasury Board
Change in Establishment	PROP	INF	CON	REV	REC	DEC

The interpretation of this linear responsibility chart is that the Director of Operations proposes the changes after consultation with the Establishment Control Officer. A copy is sent, for information purposes only, to the Chief of Personnel. The decision as to whether or not the proposal is acceptable is ultimately made by Treasury Board, but this reference is not made until the proposal has been reviewed by the Director of Administration and recommended by the Deputy Minister. The chief limiting factor on this form of charting is its complexity; it should properly cover all possible actions or, at least, those major activities that cut across organizational boundaries. An accurately drawn chart, however, is one of the best possible road maps to decision-making and is an excellent source of information on the authority relationships which should be observed by individual officers with respect to specific functions.

## **THE DETAILED ELEMENTS OF SUPPORT SERVICES**

(Optionally located elements are preceded by an asterisk. These items may be placed in various units of the support service organization.)

### **Personnel Services**

1. Manpower planning
2. Filling vacant positions
3. Administering training and personnel development programmes
4. The administrative aspects of discipline
- \*5. Reviewing establishment needs and classifications
6. Getting employees paid
7. Counselling re: fringe benefits and other conditions of work
8. Maintaining personnel records
9. Liaison with other government agencies on 1. to 8.
- \*10. Administering the Suggestion Award Plan

### **Financial Services**

1. Accounting for funds
2. Assisting in the preparation of estimates
3. Controlling commitments and expenditures (Budget Control)
- \*4. Staff control (establishment, staffing standards, classification)
5. Approving accounts for payment
6. Cost accounting
7. Liaison with Comptroller of the Treasury and Treasury Board Staff
- \*8. Staff travel administration

### **Purchasing and Stores Services**

1. Purchasing goods and services
2. Procurement, storage and issue of forms, stationery and office supplies
3. Procurement, storage and issue of other supplies
4. Inventory control

## **Registry and Records Management Services**

1. Operating registries
2. Operating mail rooms
3. Controlling departmental records procedures
4. Establishing records disposal schedules
- \*5. Providing or controlling messenger services

## **Management Advisory Services**

1. Analyzing organization problems
2. Analyzing administrative problems
3. Analyzing methods problems
4. Providing Statistical Analyses for management purposes
5. Conducting management audits and administrative inspections
6. Providing a forms control programme
- \*7. Administering the Suggestion Award Plan

## **Engineering Services**

1. Controlling accommodation, property and buildings
2. Controlling departmental motor vehicles
3. Providing or controlling engineering services
4. Controlling fire prevention practices
- \*5. Controlling telephone services

## **Information and Public Relations**

1. Dealing with newsmongers
2. Advising officials on public statements
3. Photographic services
- \*4. Libraries
5. Writing and editing departmental publications

## **Data Processing Services**

1. Providing electronic or mechanical data processing service
2. Advising on the use of equipment for processing data

## **Legal Advice**

1. Advising the department on legal problems related to administering its legislation
2. Framing legislation, regulations
3. Liaising with the Department of Justice and the Privy Council Office



## Office Services

1. Providing a duplicating service
2. Providing a copying service
- \*3. Providing or controlling messenger services
4. Providing or controlling stenographic and typing services

## Secretarial Services

1. Acting as the official departmental spokesman with the public
2. Preparing submissions for the Treasury Board and the Governor-in-Council
3. Controlling the issue of departmental instructions and circular letters
4. Preparing parliamentary returns
- \*5. Administering the Suggestion Award Plan

## Degrees of Centralization of Internal Services

1. Carried out by central internal service
2. Carried out by central internal service *and* by decentralized service in *line* authority to central service head
3. Carried out by central internal service *and* by decentralized services responsible in *functional* authority to central service head
4. Carried out by decentralized service responsible in functional authority to central service head
5. Carried out by decentralized service responsible in function only nominally to central service head
6. Carried out by decentralized service in no way responsible to central service head, if any





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